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Ontario LEGISLATIVE ASSEMBLY

No. 33

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Monday, April 26, 1982

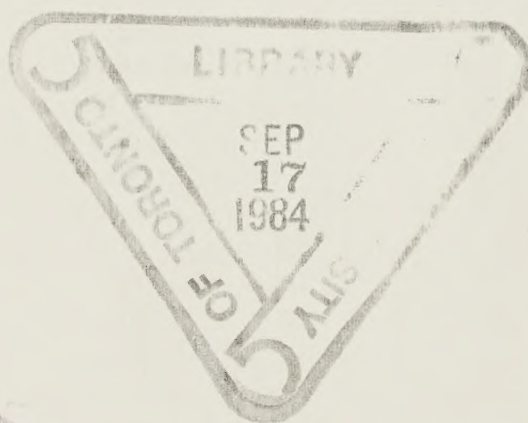
Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Monday, April 26, 1982

The House met at 2 p.m.

Prayers.

## STATEMENTS BY THE MINISTRY

### ONTARIO HUMANE SOCIETY

**Hon. G. W. Taylor:** Mr. Speaker, today I am submitting a report on the recent assessment done by the Ministry of the Solicitor General on the operations of the Ontario Humane Society, which was commenced during the time the member for Eglinton (Mr. McMurtry) was the Solicitor General.

This assessment was instituted following a number of complaints and allegations about the society. Most of the complaints were made through the news media, others were received through letters to the ministry or through contact with members of this Legislature.

I wish to state categorically that the assessment found no evidence of misappropriation of funds. The staff of the ministry feels an independent audit done by the society is reliable and gives no cause for concern. What the assessment does show, however, is that a number of organizational, managerial and financial problems currently exist in the operation of the Ontario Humane Society.

The report makes four basic recommendations:

1. That the Ontario Society for the Prevention of Cruelty to Animals Act be reviewed. The aim is to clarify the enforcement authority and the responsibility of appointment for inspectors and agents.

2. That the Ontario Police Commission, in consultation with the Ontario Humane Society, develop a training program sufficient to ensure proper qualifications of all appointees.

3. That a management consultant firm be engaged to advise on the appropriate action and bylaw amendments. The firm would study organizational, financial and management issues raised by the report. It would also look at the issue of the composition of the board of directors and the classes of membership.

4. That consideration be given to reviewing the purpose, level and conditions of funding from the Ministry of the Solicitor General to the Ontario Humane Society.

We undertook this assessment because the

ministry is responsible for the administration of the Ontario Society for Prevention of Cruelty to Animals Act. That statute creates the Ontario Humane Society and authorizes it to perform law enforcement functions in relation to cruelty to animals. The ministry has an obvious interest in seeing that these functions are properly carried out.

I want to emphasize, however, that the society is not an arm of the Ontario government. It is an autonomous and charitably funded organization. We will proceed with any action in the spirit of mutual co-operation with the society that will ease the present problems.

I can assure honourable members that the recommendations in this report are being carefully studied. The Ministry of the Solicitor General and the society have agreed to review the bylaws, organization and management of the society. We are currently in the process of engaging a management consultant to examine and make detailed recommendations for the improvement of the organizational, managerial and financial aspects of the society's operation.

Necessary changes, including any legislative ones, will be considered following that study.

### REORGANIZATION OF THE MINISTRY OF GOVERNMENT SERVICES

**Hon. Mr. Wiseman:** Mr. Speaker, it is a pleasure for me to inform the House today of changes in my ministry which I believe will ensure even greater service to members of the public, our boards and commissions, agencies, ministries and the entire government. Reorganization of the Ministry of Government Services begins today and will be completed in about two months.

We, at the Ministry of Government Services, are convinced these advancements will greatly enhance our complete service role and mandate for the 1980s. I am sure the House will be pleased to know we have been able to accomplish this reorganization within our present budget and staff resources.

Information regarding our restructuring is being distributed to all members of the House at this time. They will find the notices in their mailboxes this afternoon.



### CHILDREN'S MENTAL HEALTH SERVICES

**Ms. Copps:** On a point of privilege, Mr. Speaker: Last Friday in this House the Minister of Community and Social Services (Mr. Drea) accused the director of Maryvale children's centre of monumentally misleading me and my committee on the issue of children's services, or the lack of them, in the Windsor area. The minister denied there was a problem with children being refused entry to Maryvale, or their going absent without leave because the facility could not handle them.

I spoke today to a parent of a Maryvale child, whose name the minister knows because the parent also has been in touch with his office. This parent advised me that his 15-year-old daughter had run away from Maryvale 10 times in the period between November 1981 and February 1982. He said that his daughter was usually accompanied by three or four other girls when she ran away, which would indicate a very serious problem. The gentleman also advised me that although she had not committed a crime, his daughter was finally placed in a detention centre before she was transferred to another, more suitable, facility.

If the minister still denies there is a problem, I would advise him to refer to a report prepared and approved last July 22, by the children's services committee in Windsor. That report, two years in preparation, recommended a prioritized list of outstanding needs which included 27 items. The number one item facing the children in the Windsor area was services for the emotionally disturbed.

The report stated that eight local organizations had waiting lists and that Maryvale listed individuals needing attention it could not provide. This list included, in the category of young females 12 to 16, depression, anxiety, thought disorders and bizarre behaviour in young female day students; and in residential young females of the same age group, aggression and disruptive behaviour.

In fact it is not Mr. Vossen who has been monumentally misleading it is the minister, who refuses to recognize the problem despite the buildup of evidence across the community as documented in this report.

**Mr. Wrye:** Mr. Speaker, if I may speak briefly to the point of privilege, as one of the members of the health task force and as member for the riding where Maryvale is located: My colleague for the member Hamilton Centre has already

pointed out to the House some of the facts that make it clear that the executive director of Maryvale did not mislead the task force when he told us that seriously disturbed girls in Windsor are not getting the help they need. I would hope the minister would look at the children's services committee study which, after all, took two years to finalize.

I also want to say I received a call this weekend from Jim Cummings, who sat on the advisory board at Maryvale for six years. He considers Mr. Vossen's remarks sound, reasonably correct and a reflection of what is going on.

I think the minister, who attempted to sully the reputation of a fine man, should stand in this House when he arrives today and publicly apologize to Mr. Vossen for his intemperate remarks. On Friday, he suggested he would lend his credit card to my colleague so that she might call Mr. Vossen. Today, I offer my credit card so that the minister may call Mr. Vossen and apologize.

**Mr. Speaker:** Oral questions.

### PHYSICIANS' SERVICES

**Mr. McClellan:** Surely, Mr. Speaker, the Minister of Health (Mr. Grossman) intends to come before the assembly today and make a statement, after his posturing on Thursday.

**2:10 p.m.**

**Hon. Mr. Wells:** Mr. Speaker, after these other points of order were completed, I was going to inform the members that the Minister of Health (Mr. Grossman) will be here to make a statement. It is not ready at the minute. With the consent of the House, perhaps the House will be agreeable that he could make that statement when he arrives.

**Mr. Peterson:** On that point, Mr. Speaker, it seems the minister is developing a habit of making last minute and dramatic announcements in this House, which is fine, on the condition that we can stand down our questions until the minister arrives.

**Mr. Speaker:** Yes, that is acceptable if it is agreeable with the House.

**Mr. Foulds:** Mr. Speaker, it is getting to be a deplorable habit of ministers of the crown not to be ready to make ministerial statements at the time that ministerial statements are to be made. There is a set time during the day for them.

In making late entrances, the Minister of Health seems to have developed a particularly theatrical approach to his ministry. How long are we, in this House, to be expected to suffer

is whim of the Minister of Health? We have known since yesterday about the breakdown in negotiations. Can the House leader tell us why it is not ready now?

**Hon. Mr. Wells:** Mr. Speaker, first of all it is not a common occurrence. It has only occurred when there has been a particular situation that has been fairly disturbing and demanding of a minister's attention, and when the situation has been changing from time to time.

I can well recall when I was Minister of Education, and we were in the midst of some of the teacher-school board problems, coming in here and asking for the same kind of indulgence that the Minister of Health is asking now. We were asking to make statements at some time during question period mainly because the situation was changing by the minute. Quite frankly, I think that is what the minister is doing.

I have not talked to him for the last couple of hours, but he is preparing the most up-to-date statement possible for this House. I think we should give him the courtesy of hearing that when he is able to get here.

**Mr. Speaker:** Does the Leader of the Opposition (Mr. Peterson) wish to carry on with oral questions?

**Mr. Peterson:** I have asked that we have our questions stood down until the minister arrives.

#### CHILDREN'S MENTAL HEALTH SERVICES

**Ms. Copps:** I have a point of privilege, Mr. Speaker. Since we now have the appearance of the esteemed Minister of Community and Social Services, and I am sure he monitored every word very carefully out in the anteroom, I wonder if he might advise this House whether he does plan to tender an apology for the besmirchment of the reputation of Mr. Art Vossen of the Maryvale children's centre?

**Hon. Mr. Drea:** Mr. Speaker, I was not in the anteroom, and I did not hear what the member had to say. However, I understand Mr. Vossen talked to her.

Let us put some things on the record, Mr. Speaker. Mr. Vossen originally told the member that there had been 20 very emotionally disturbed young females who were not admitted to his centre. The fact of the matter is that at best there were five. He found that the setting was not appropriate and they were either recommended or sent to much more secure places.

Second, Mr. Vossen told the member that 20 young females had escaped, run away, or were

absent without leave. As I said on Friday, there were eight. The problem with almost all of them was that open setting. Mr. Vossen does not want a closed setting even if the member is Miss Razor Ribbon. With an open setting the placements were not appropriate. The young females were all referred to, or are in, either the London Psychiatric Hospital or secure care.

I would think that Mr. Vossen should apologize to the member and not vice-versa.

**Ms. Copps:** On the same point of privilege, Mr. Speaker, it is unfortunate that the minister was not here to listen to the documented evidence of one parent; perhaps he might confirm this since the parent was in contact with his office also.

One parent advised the opposition that his daughter fled, went AWOL, escaped the Maryvale facility 10 times in the period between November 1981 and February 1982—one individual, 10 escapes. That individual was finally placed in a detention centre before she was sent to a more suitable, more secure facility; that is one individual among the minister's eight. Does he feel that one individual going AWOL 10 times in three months is an acceptable situation?

**Hon. Mr. Drea:** Mr. Speaker, I know about that case. The gentleman did not tell the member about his son either, did he? He has had more than a little bit of difficulty. That particular female did not escape 10 times. She went away from that open setting where she was given every single chance, nine times. She will not respond to an open setting. Part of the problem has been her parent's demand from the very beginning that she be put in a secure setting. She was placed in a secure setting and now she is in the London Psychiatric Hospital.

**Ms. Copps:** Mr. Speaker, on the same point of privilege—

**Mr. Speaker:** The member has made her point of order. This is deteriorating into a debate.

**Ms. Copps:** There was a second part to the point of privilege I raised, and if possible, I would like a response.

**Mr. Speaker:** No, it would be more properly dealt with in question period, because that is what you are doing.

**Ms. Copps:** I just want a response to the children's services report, which does not deal with individual cases, and if I may, that is the main problem.



**Mr. Speaker:** The member may ask the minister during question period.

**Mr. Peterson:** Mr. Speaker, since the Premier has arrived, with your permission I should like to stand down at least one question for the Minister of Health and perhaps ask the Premier a question.

**Mr. Speaker:** May I try that on for size, please? The Leader of the Opposition has requested to use one of his mandatory questions and to stand down the second one, awaiting the arrival of the Minister of Health.

**Mr. Foulds:** Mr. Speaker, I respectfully request, so that the opposition is not continually held to ransom by the ministers being inappropriately briefed and using this place the way their whims take them, that you recess this House for a full question period until the minister is ready.

**Mr. Speaker:** That really is beyond my authority. It would have to be the wish of the members of the House.

**An hon. member:** It is up to the Speaker to make his order.

**Mr. Speaker:** It is not. The Leader of the Opposition has indicated he is ready to go ahead with his first question.

## ORAL QUESTIONS

### ALSANDS PROJECT

**Mr. Peterson:** Mr. Speaker, this question is to the Premier. I gather he was meeting this morning with the Premier of Alberta, and I gather the topic of conversation was the Alsands project. Would the Premier be prepared to inform this House what views were exchanged, whether Ontario has a role in the resurrection of that project, and whether the Premier is prepared to invest taxpayers' funds in that Alsands project?

**Hon. Mr. Davis:** Mr. Speaker, I was pleased to receive a visit from the Premier of Alberta. The Leader of the Opposition is quite right, he was here to talk to me about Alsands. I had a very lengthy and informative discussion with the Premier of Alberta.

Without betraying any confidences of that meeting, I think the Premier of Alberta made it clear, when coming into my office and upon leaving my office, if I heard him correctly and I think I did, that the purpose of his visit was not to seek any form of monetary participation from this province. That, as I understand it, is really not an issue, or even thought about at this particular moment.

I can tell the Leader of the Opposition no more than that at this moment. There are other discussions going on, as I understand it, between the government of Alberta and the government of Canada, and I am not in a position to disclose what was conveyed to me at our discussions this morning.

**Mr. Peterson:** Given the fact that, according to some reports, that project, if it started, could bring \$6.5 billion to the Ontario economy during the construction period and would probably provide 14,000 temporary jobs and 2,400 permanent jobs to this province, does the Premier not consider he should get involved and that it would be a far wiser investment than the one in Suncor which brings not one job nor one drop of oil to Ontario?

2:20 p.m.

**Hon. Mr. Davis:** I thought the Leader of the Opposition heard my answer to the first part of the question. He has now taken to reading my speeches which I find encouraging. That advice probably comes from the new executive director of his office who used to be with the Canadian Unity Information Office. That is in spite of the government of Canada and the Prime Minister being a millstone around his neck. This has become millstone city as far as the Leader of the Opposition is concerned. Did he read what his colleague said about the Prime Minister Thursday night? He was extolling his virtues.

In a speech I made to one organization about four or five weeks ago, I pointed out exactly what the member said just a few moments ago. While the estimated investment in the project is somewhere around \$12 billion, our rough estimate is this could mean—and I emphasize "could"—that in terms of economic spinoff, somewhere between 40 or 50 per cent, perhaps a shade higher, would accrue to Ontario.

I made this view known some weeks ago. The government of Canada is aware of our support of Alsands and certainly the Premier of Alberta is. He mentioned and appreciated that we had made this position public on a number of occasions, so Ontario has already expressed to both governments its strong support of the project.

I point out, because the Leader of the Opposition is or pretends to be the financial expert, that we have not been asked by either government to invest any money. That is not the issue at this moment.



**Mr. Peterson:** I understand the Premier's position to some extent but does he not feel, given the stakes involved here and that it could have a tremendous spinoff for the province, that he should be more active in this matter and volunteer his assistance in some form or other to try to get a consortium going to build that project? By his own admission it would have tremendous economic spinoffs for Ontario. Maybe the Premier should take an active role. Why does he not go to them and volunteer to sell the interest in Suncor which does nothing for Ontario, and do something that does do something for Ontario?

**Hon. Mr. Davis:** I will try for the third time to explain this to the Leader of the Opposition.

The present situation with respect to Alsands does not relate to the need for more government investment. That is not the particular problem. I am trying to convey to the Leader of the Opposition that the issues as I understand them are separate and distinct from that. There are meetings taking place between the two governments and, I assume, between the governments and those who remain in the consortium. Participation of a financial nature from this province is not only not required but is not being sought. I hope that registers because that happens to be the case.

I assure the Leader of the Opposition, and I will get him a copy of the speech, that both governments are fully aware of this government's support for moving ahead with Alsands. We have been in support for a considerable period of time. We have made it public on a number of occasions. Both governments as well as the private sector are fully aware of that. I can assure the member we are continuing this position.

### SCHOOL TEXTS

**Mr. Foulds:** Mr. Speaker, I will also take one question and stand one down, if I may.

I would like to ask a question of the Minister of Education. Is the minister aware that the school children of Ontario, in one of their widely-used grade 7 and 8 history texts, called Fair Domain, encounter the following passage?

Referring to the Huron Indians: "The tribesmen were so accustomed to gambling, drinking, quarrelling, torturing and even eating the flesh of their enemies, that they found it hard to change their manner of living. The warriors could not understand why they should not hunt on Sundays and why they should not have three or four wives."

Is the minister also aware that, in a widely-used high school text, the children act out a rather objectionable little sexist drama, which is illustrated rather graphically with a character called Brigitte LaBombe? I will send a copy across to the minister.

Since these books are in use in Ontario because the school boards of this province claim they cannot afford to replace them, will the minister outline what plans she has to make funding available to get textbooks with racial and sexual bias and outdated books out of the classroom and what steps she will take to encourage the development of new learning materials in Ontario?

**Hon. Miss Stephenson:** Mr. Speaker, no government and no Ministry of Education has been more active in the area of vetting and developing new textbooks to eliminate bias based on ethnicity or sex than this government and this ministry. As a matter of fact, no government or ministry has spent more money in doing it than this government or this ministry.

In addition, as the honourable member obviously knows, there is a Circular 14 list, which is submitted to all boards. This year we have been much more active in our pursuit of the statement which now appears in the front of Circular 14, that those books which do not appear on the list are to be removed from the classroom. That is the board's responsibility.

About a decade and a half ago it was decided that boards of education in Ontario were groups of responsible adults capable of making rational decisions related to the funding of education within their own jurisdiction, and directed funding was removed from any kind of grant mechanism developed within the Ministry of Education for educational purposes.

I do not believe the situation has changed in terms of the responsibility of those adults who have jurisdiction for the delivery of educational programs at the local level. I do believe the situation has changed in terms of the cost of education and the concerns which boards express that, given the demands of about 85 per cent of their total budget for the purposes of salaries and wages, they have little leeway or flexibility to meet some of the concerns being expressed by the book publishing industry and by the Ontario Teachers' Federation in a news conference they held about 10 days ago.

I believe the two books mentioned by the member are not included in Circular 14. I will be absolutely astonished if they are. I do believe it is the board's responsibility to develop a greater



degree of capacity to ensure that the texts they are using meet the standards that are set by the Ministry of Education.

**Mr. Foulds:** May I ask the minister on what she is basing her information with regard to these books not being on Circular 14? Our information at noon was that these books are still on Circular 14 and that they are still two of the most widely used textbooks in Ontario schools. The book out of which the little drama comes was published in 1978. The history textbook was published in 1960.

Does the minister not realize that Ontario currently spends approximately \$11 per student on textbooks and that other provinces, such as Alberta, spend \$23 per student on textbooks? Will she now admit that without some directed funding to textbook buying at school board levels, she will not be able to modernize the textbook industry of this country, a large part of which is located in Ontario; she will not be able to develop supplementary materials for the classrooms of the province; and she will not be able to get into the schools the kinds of modern textbooks that are so desperately needed to eliminate some of the stereotypes and biases?

**Hon. Miss Stephenson:** The Ministry of Education provides millions of dollars every year for the learning materials development fund. It provides a considerable amount of funding to TVOntario for the provision of educational programming. It provides the program that purchases a copy of each new approved text for each relevant school in the province. And, on average, it spends about \$21 per year per student in support of learning materials—not all are textbooks—for students within Ontario.

2:30 p.m.

In addition, I would remind the member that the vast majority of the publishers are here in Ontario. Indeed, if he asks them, they will say no province has given them greater support in the development of Canadian educational materials than Ontario has.

**Mr. Nixon:** Mr. Speaker, is the minister not aware that a world-class centre for research into Indian history and goals exists in the old Mohawk Institute in Brantford, Ontario, which is well-financed, mostly federally and a little bit provincially?

Why would she not undertake to have those people, who are working full-time on this matter, vet the textbooks that have been brought to our attention by the minister—sorry, member, soon to be Liberal minister—and also undertake

to prepare the sorts of things we are going to have to put into our schools, particularly if we are going to meet the requirements placed on us by the new Constitution in the immediate future?

**Hon. Miss Stephenson:** Mr. Speaker, I would ask the member if he has had an opportunity to read the new course guidelines that have been developed for native studies which were—

**Mr. Nixon:** They were introduced by your predecessor.

**Hon. Miss Stephenson:** No, they were not.

**Mr. Speaker:** Order.

**Mr. Nixon:** Have you abandoned your predecessor's initiative in this already?

**Hon. Miss Stephenson:** We have an entirely new initiative in this area, which I will be delighted to transmit to the honourable member so that he can see just how valuable the input of our native peoples has been into the establishment of good learning materials for all students, but particularly for native students, in this province.

**Mr. Grande:** Mr. Speaker, do I gather from the minister's comments that she accepts those passages in those books as being totally acceptable to her? Is the minister not aware that in the Ryan report it states that 41 per cent of the textbooks used in our classrooms were published prior to 1974, 20 per cent of those being published 12 or more years ago and 19 per cent from 11 to eight years ago?

If she is aware of the report—and I am sure she is—is the minister not aware of the comments of some teachers in that report? They say, "I have the only textbook in the classroom. We do not have any textbooks. Before it was a lack of good texts, now it is a lack of funds. We run all our materials off, and are getting tired of writing dittos and running them off."

When is the minister going to stop pretending there is no problem and begin to address the quality of education? Clearly, with these kinds of textbooks in our classroom, the quality of education is deteriorating rather rapidly.

**Hon. Miss Stephenson:** Mr. Speaker, the answer to the member's first question is a resounding no. If he would open his ears he would hear what I had to say.

Second, I am fully aware of the responsibilities of boards of education. The Ministry of Education has assumed its responsibility and has discharged it admirably. We are now trying to assist boards of education through various means to make the right decisions related to the



supportable, and support of, texts for children in the learning experience.

### EMPLOYEE HEALTH AND SAFETY

**Hon. Mr. Ramsay:** Mr. Speaker, earlier this month questions were asked of me by the member for Sudbury East (Mr. Martel) regarding health and safety conditions at the Rothsay Concentrates Co. in Moorefield.

There has been a further involvement by the ministry since I last spoke to this matter, and I now wish to inform the honourable member of the subsequent developments. As he will undoubtedly recall, 72 orders were issued against this company in January. There is agreement by all parties of the occupational health and safety committee that these orders have been complied with.

On April 15, an industrial health and safety officer conducted a further inspection of the plant in the presence of company and union members of the joint health and safety committee. Seventeen new orders were issued directing the company to rectify certain physical hazards in the plant, to ensure the availability and use of safety equipment and, in future, to abide by the accident reporting requirements. The ministry will, of course, be monitoring this plant closely for compliance.

In his report, the inspector listed approximately 30 items of concern identified by the union. Some of these concerns were the subject of the orders to which I have just referred. Others, while mainly of a housekeeping nature and not representing contraventions of the act, will be addressed by the joint health and safety committee.

I should also mention that on April 15 and 16 another official from the occupational health and safety division met with the members of the joint committee to review its effectiveness. There do appear to be shortcomings in the committee's past performance, which I believe were caused in part by other industrial relations problems.

Therefore, I have made available the mediation services of my ministry to assist in these industrial relations matters. This mediation effort is over and above the assistance which will be provided to the joint committee until such time as it is operating effectively.

Mr. Speaker, I also have one other very short answer to a previous question from the same member, with your permission.

This is in respect to Irwin Toy Ltd. I also want to take this opportunity to provide an update on

the ministry's investigation into the use of the substance methyl ethyl ketone at the Hanna Avenue plant of Irwin Toy Ltd.

The so-called MEK is a solvent used as an agent for the purpose of thinning glue. On April 13 and 14, the plant was visited by an occupational hygienist and an industrial health and safety inspector. Air samples taken by the hygienist in the areas where the substance MEK is used showed concentrations well below the hazardous level.

The hygienist, however, did find that some employees were not being adequately protected from direct skin contact with the substance and ordered the use of rubber gloves. The inspector also issued an order relating to protective equipment and 21 other orders on such matters as the elimination of physical hazards from the shop floor and the proper storage of MEK.

A further inspection will be conducted to check for compliance with these orders.

**Mr. Martel:** Mr. Speaker, when we have an inspection like this and the minister finds 21 contraventions, how many times are we going to go through this little game until his ministry says to those corporations, which continue to violate the act, that we have had enough and charges are going to be laid?

**Hon. Mr. Ramsay:** Mr. Speaker, the inspection files in question in both cases have been forwarded to the ministry's legal services branch for its opinion. There is a good possibility of further charges.

### RENT CONTROL

**Mr. Ruston:** Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations with regard to Webbwood Estates Mobile Home Park's rent increases.

The average rent increase over the past five years to a typical tenant has been 21.4 per cent, including a 1982 increase of 19.1 per cent, which is now under appeal. These increases are largely based on huge administrative costs and enormous salaries paid to the principal owners, who manage the park.

The tenants obtained an estimate from an independent management company which indicated it could provide the same service for half of the costs now being incurred by the tenants, with the commission's approval. Is the minister aware of these facts, and what steps is he willing to take to rectify this situation?

**Hon. Mr. Elgie:** Mr. Speaker, as the member has quite properly pointed out, the matter is



under appeal. It would be most inappropriate for the minister to comment on matters of substance that are going to be heard by an appeal board.

Let us clearly understand, for the member's benefit, that his party, along with all other parties, agreed to the cost pass-through principle. That is the principle that the rent review commission utilizes in evaluating requests by landlords for increase awards.

**Mr. Ruston:** Would the minister explain how the Residential Tenancy Commission can allow larger increases in administrative costs and equipment while at the same time stating in the text of its decision, "There has been no significant improvement or deterioration in the standard of maintenance and repair of the building"?

Could the minister also explain the legitimacy of a landlord charging a tenant \$1,200 to store equipment on his own property?

Finally, does the minister consider it reasonable for a landlord-manager and his wife to receive a joint salary of approximately \$76,000 when the property is operating at a deficit? Are the tenants alone supposed to bear the financial burden of mismanagement?

2:40 p.m.

**Hon. Mr. Elgie:** I am certain I understand the reason the member asked this particular question. I can only repeat what I said before. I am sure he does not expect the minister who is responsible for and reporting on behalf of the rent review commission to make public statements about a quasi-judicial tribunal which is making decisions on principles established by law, and about a matter which is now under appeal to the appeal commission of that tribunal.

**Mr. Philip:** Mr. Speaker, I admit it is inappropriate to discuss a particular case when it is before a tribunal, but is the minister, in his new capacity, not prepared to admit there is gross inefficiency and incompetence in the way in which the guidelines are set up, in that the Residential Tenancy Commission may not act on its own initiative to investigate how moneys are being spent after large projections have been made by landlords to justify large rent increases?

What will the minister be doing to overhaul the guidelines and rules by which the commission now, and not very efficiently, operates?

**Hon. Mr. Elgie:** Mr. Speaker, first, I do not agree with the comment about the effectiveness

and efficiency of the commission. The member knows there have been recent additions to the number of commissioners available, and we hope that will help with the backlog. We are also reviewing guidelines from time to time and some of the matters he has raised will be issues for discussion as we go through that process.

**Hon. Mr. Wells:** Mr. Speaker, may I ask for the consent of the House to revert to statements so that the Minister of Health (Mr. Grossman) can make what is a fairly lengthy statement—it will probably take about 15 minutes—to outline the situation which has occurred and where we now stand in this dispute?

I was talking to the minister just a minute ago and he confirmed that he has had telephone conversations with Dr. Reese and others which necessitated changes in his statement right up until the last few minutes and that it was for legitimate reasons that the statement was not ready at two o'clock.

**Mr. Speaker:** Do we have the consent of the House to revert to statements?

**Mr. Foulds:** Mr. Speaker, are copies of the statement available? We should not proceed until we have printed copies.

**Mr. Speaker:** They are on their way.

**Hon. Mr. Grossman:** Mr. Speaker, while the statements are being distributed, may I apologize to the House once again for my tardiness in arriving.

**Mr. Speaker:** Just before the minister starts, do we have the consent of the House to revert? Agreed. Please proceed.

**Mr. Foulds:** On this point, Mr. Speaker, I resent the fact that the press has the statement but members of the House do not. I do not have a copy of the minister's statement.

**Mr. Speaker:** I do not have any control over that.

## STATEMENT BY THE MINISTRY

### PHYSICIANS' SERVICES

**Hon. Mr. Grossman:** Mr. Speaker, first, I confirm what my colleague the House leader has said. Our statement, which is fairly lengthy and attempts to inform the House as much as possible with regard to the negotiations right up until this morning, took some time to prepare. Further, as a result of an exchange of phone calls today the statement had to be revised substantially.

As suggested by the Leader of the Opposition (Mr. Peterson), when things did not go as we

thought over the weekend, I took the liberty of calling him at home in order that he be kept informed as to events. In my desire to keep the House fully informed as well, I wanted to make sure that the statement was accurate and reflected the state of affairs as they existed precisely at this time.

As we have said many times, the situation alters from hour to hour and I am sensitive of my responsibility to report to the House. I apologize for the fact that I am late but it is necessary to be very careful in these matters.

I would like to report to all members of the House on developments today in our negotiations with the Ontario Medical Association and share with the House our view of impending developments. Yesterday, when the OMA council rejected an offer for settlement, I extended an invitation through the negotiating committee for a meeting with Dr. Reese, the president of the OMA. This morning, but not yesterday, Dr. Reese took up my invitation and I spoke to him twice by telephone.

On the basis of those calls, some misunderstanding still appears to remain so I suggested to Dr. Reese that I am prepared to meet with him on Tuesday and to meet with his OMA board on Wednesday. As a request, the only request I made, I asked Dr. Reese as president of the OMA to ask his members to postpone the job action they plan for tomorrow and Wednesday in order to create the most favorable climate for discussions. I am able to provide the assembly with his entire response as I told him I was writing it down to relay it to the Legislature this afternoon.

He said: "I am certainly prepared to meet you on Tuesday and I am prepared to invite you to meet the board on Wednesday to allow you to deal directly with the board to explain your position, because there would appear to be problems of communication between the government and the board. However, simply on the basis of my willingness to talk at this time, I cannot call off the walkout for this week."

To be fair, Dr. Reese did indicate that if we would accept the OMA's last demand with regard to years four and five and if we agreed to enrich our three per cent special adjustment figures he would then call off these walkouts. I would, of course, give no such undertaking at this time but I thought, and think now, that he should at least postpone the walkouts in view of these continuing discussions and the admitted misunderstanding.

I will meet Dr. Reese tomorrow at 4 p.m. and

with the board of the OMA on Wednesday at noon. In these circumstances, I hope all physicians will think seriously about the position of the government and the OMA before taking action which would affect their patients.

I intend to review the entire negotiations process with this House and want to affirm the position of the government in dealing with any disruption of the health care system. The government remains unequivocally committed to the defence of medicare and the protection of patients and others using our health care system.

We believe we can achieve that objective through the use of appropriate sections of the Public Hospitals Act and the medical part of the Health Disciplines Act. If we or the hospitals or the College of Physicians and Surgeons find that these acts are not adequate, I will come to this House immediately with the legislation necessary to strengthen them.

Because of our belief that the physicians will not violate these acts or their responsibilities, we do not at this time plan any legislated settlement or any new legislation such as that suggested to "order the doctors back to work" or otherwise change the historic patterns for the control of professional disciplines in this province. None the less, I want the physicians of Ontario to know that we in the government recognize the level of frustration they feel and assure them of our determination to deal with the cause of this frustration in the months ahead.

Before reviewing the details of the negotiations which have brought us to the present, I would like to outline briefly some critical features of the unique process by which the government negotiates with the independently employed physicians of Ontario through the Ontario Medical Association.

Although the negotiators are concerned only with the total amount of money which we add to the appropriation for medicare, this is applied to thousands of individual acts which doctors perform and this in turn determines how much they earn.

#### 2:50 p.m.

Because of the complexity of the financial data and statistics involved, both the government and the Ontario Medical Association agreed several years ago to a fact-finder process.

Last year, Professor Paul Weiler of Harvard was chosen as fact-finder. He recommended,



and the OMA and the government both accepted, an increase of 14.75 per cent.

It is useful to remember that this settlement was made up of an economic increase of 11.75 per cent and a catch-up component of three per cent. Professor Weiler also adopted a methodology which he believed would identify the average full-time physician in Ontario and his income and expenses.

The OMA asked that the same Professor Weiler be reappointed for the 1982 negotiations. In doing so, we presumed the OMA fully understood his methodology; it was set out fully in his 1981 report. He used that same methodology again as the basis for his 1982 report, and it has been used in all calculations we have presented.

I stress this, because some physicians and others believe the calculations are designed by the government to misrepresent income. This is incorrect. They are all based on a system developed by an independent fact-finder recommended to us by the OMA.

At this point, I think it would be useful to review briefly the entire negotiations so that members can see how they unfolded.

The government's original offer in January was for a 10 per cent increase in the schedule of benefits for 1982-83. The OMA asked for either a one-year or two-year agreement, with an effective increase of 27 per cent per year; that is, 27 per cent for one year or 61.5 per cent compounded for two.

Because of this very significant gap, we asked the committee chairman, Professor Weiler, to assume a fact-finder role, as he did the previous year, and to suggest a fair solution—all as provided for in the agreement with the OMA.

Last year, as I have indicated, he recommended an increase of 14.75 per cent, which was accepted by both sides. As I said, the OMA urged his reappointment for the 1982-83 negotiations and, using the same approach and the same methodology he developed a year ago, Professor Weiler recommended a two-stage increase of seven per cent on April 1, 1982, and 7.25 per cent on January 1, 1983. For the second year, he included three per cent for catch-up.

He said in his report, which has been made public, that he believed this would reconcile the principal concerns of the government and the physicians of Ontario. This package was immediately rejected by the council of the OMA, and their negotiators asked us to consider a longer-term agreement.

As I reported to the House two weeks ago, we

found the longer-term attractive; but, unfortunately, the OMA asked for a complex variation of their original monetary demands.

Using the method adopted by Professor Weiler and the figures provided by the OMA, this approach would increase the cost to the Ontario health insurance plan from \$1.29 billion currently to \$2.43 billion over three years and almost double the income of participating physicians in less than three years. In other words, a 72 per cent compounded increase in the schedule of benefits over three years would increase incomes by 98 per cent.

In response, we discussed a series of options within the framework proposed by Professor Weiler to provide staged increases for a one-year, two-year or three-year agreement.

Anyone familiar with collective bargaining will recognize the scope this provides for negotiation. Unfortunately, the OMA team took only one variation of the three-year option to its council, which rejected it.

As members will recall, this proposal provided for six increases based on the 1981-82 agreement. These are: 11 per cent on April 1, 1982; three per cent on January 1, 1983; eight per cent on April 1, 1983; three per cent on January 1, 1984; six per cent on April 1, 1984; and a final three per cent January 1, 1985.

This would add an additional \$656 million to OHIP payments over three years and, using the methods adopted by Professor Weiler, raise the after-expense income of an average full-time physician from the present \$80,300 to \$114,100 when it expires on April 1, 1985.

For reasons of fairness which I explained on April 1, we added 11 per cent to the OHIP schedule of benefits and proceeded with the subsequent increases in the absence of a negotiated agreement.

That brings me to the meeting of the joint committee a week ago Thursday. Because there seemed to be some feeling among some officers of the association that three years was too long and that the 25 per cent proposed for two years was too little, we offered to compound 11 per cent on April 1, 1982; three per cent the following January; eight per cent on April 1, 1983; and three per cent on January 1, 1984.

To understand the implications of this, this would increase our two-year offer from 25 per cent to an effective 27.2 per cent and raise the income of the average participating physician from the present \$80,300 to \$106,500, rather than \$104,400, over 24 months.

In other words, simple compounding added



\$2,000 per year to physicians' incomes in two years. These, I want to emphasize, are incomes which remain after deducting the cost of practice according to the process used by Professor Weiler in his last two reports.

This \$22-million increase was dismissed and we were then asked by the OMA to come forward with a four-year or five-year proposal that would make specific provision for catch-up as well as adjustments for inflation.

Last week, we proposed yet another variation which had two specific components: three per cent on January 1 of each of the four or five years specifically for catch-up and an economic adjustment on April 1 of each of four or five years. These were 11 per cent on April 1, 1982; eight per cent on April 1, 1983; six per cent on April 1, 1984; and economic adjustments on April 1, 1985 and 1986. We were prepared to negotiate these amounts now or provide a procedure to determine those 1985 and 1986 amounts in the future.

Again, without going into all the calculations involved, this would guarantee the average full-time participating physician a minimum increase of 84 per cent over five years and raise the after-expense income from \$80,300 to at least \$148,000 inside 60 months. This was rejected as well.

As I hope members can see, we have offered every conceivable option. We could change the cash flow to put more money in earlier; we suggested compounding the amounts to increase the base; we were then ready to accept a long-term agreement and we were then prepared to consider a short-term agreement.

As a final gesture, last Wednesday Mr. Butler, with my concurrence, asked the OMA whether a one-year offer to implement the total Weiler package of 14.25 per cent immediately, rather than in stages, could be a basis for settlement. That too was rejected by the negotiating committee, even though it would have brought us to within a few hundred dollars of the \$97,000 average income which we understand the OMA is seeking for 1982-83.

Although these negotiations appeared stalled, they contained a seed which brought us to this past weekend's discussion.

**3 p.m.**

The government negotiators had been asked whether we would seriously consider a four- or five-year term which would include a specific guaranteed component to attempt to make up some of the income physicians believe they lost in the early 1970s. Professor Weiler did, in fact,

argue and agree that they had lost some income in the 1971-75 time frame.

Using Professor Weiler's approach, our negotiators put forward a five-year proposal. Taking the April 1 and January 1 dates respectively, those figures work out to be 11 per cent and three per cent, eight per cent and three per cent, six per cent and three per cent, a figure to be negotiated plus three per cent, and another figure to be negotiated in 1986 plus three per cent.

These amounts were to be fully compounded, unlike the three-year package we initiated on April 1 this year. This would increase the dollar value of the offer very substantially, quite obviously. As well, we were prepared to guarantee, come what may, that the three per cent adjustments in those years would not be touched, nor would they even be taken into account as a factor in reaching the economic adjustments due on April 1 in the final two years.

These amounts, we agreed, would be arrived at by a mutually acceptable process which would take full account of economic trends using all the economic indicators traditionally used in determining levels of remuneration.

These final negotiations and our enriched offer commenced last Wednesday, when our chief negotiator, Robert Butler, received a call from a member of the OMA negotiating committee who said that in his judgement our last offer should be discussed by their board of directors once their president, who was in the United States, had given it some consideration.

As a result of informal telephone discussions between Mr. Butler and members of the OMA negotiating committee, I met in my office with him and Dr. Hugh Scully, acting for their chief negotiator, Dr. Vail, who was in surgery at noon last Thursday.

Dr. Scully told Mr. Butler and I that he, Dr. Vail, Dr. Reese, Dr. Moran, their general secretary, and Ben Trevino of the negotiating committee, believed the offer would be acceptable and that they were going to call a special meeting of the board on Saturday and recommend it to them. Dr. Vail confirmed his agreement to Mr. Butler later that day. It was on the basis of all of this that I made my brief statement to the Legislature last Thursday.

I want to emphasize that in spite of what subsequently occurred over the weekend, I believe Dr. Scully, the other members of the OMA negotiating committee who spoke to Mr. Butler, and the senior officers of the associa-



tion, were motivated by the desire for a fair and negotiated settlement.

On Sunday, however, this offer was rejected by the council, apparently on the grounds that the catch-up was not adequate and that the basis for determining the fourth and fifth economic adjustments was too vague.

While our negotiators were waiting at the hotel to continue negotiations on Sunday afternoon, Mr. Butler received a call at 12:55 from Dr. Vail, who said the board had simply rejected their proposal and was announcing its decision at 1 p.m., five minutes later. Mr. Butler offered to discuss their problem and offered to arrange a meeting between Dr. Reese and myself. This offer was turned down. Instead, the board adjourned, issued a news release and the members went home.

When Dr. Reese called me this morning, I reviewed all these details with him. We have, as I said, agreed to meet. I think it is needless and pointless for the OMA to continue their job action Tuesday and Wednesday. They could and should postpone it until after my meeting with Dr. Reese and his board. None the less, we will continue in good faith to seek an acceptable arrangement with the OMA, and we will do all that is necessary to protect the health care system of Ontario.

We will continue to seek an agreement and protect our citizens, who are, after all, both taxpayers and patients.

## ORAL QUESTIONS

(concluded)

### PHYSICIANS' SERVICES

**Mr. Peterson:** Mr. Speaker, I have a question of the Minister of Health, who reasserts his commitment to protect health care in Ontario. I want to ask him what provisions he is putting in place to make sure that commitment is not threatened over the next couple of days, as I gather the walkouts will proceed.

When I asked him before about the monitoring arrangements through the OHA, he said he was not getting the feedback through the OHA but went directly to the hospitals to ask them what the current state of backup in the hospitals was as a result of the previous rotating walkouts they were scheduling.

Does the minister now have the facts on how many elective surgeries were cancelled, how many of those surgeries affect children, how they relate to the possible investigation of cancers and what other kinds of surgeries were

cancelled? How good is his monitoring system? Does he know what is going on in the hospitals?

**Hon. Mr. Grossman:** It is good, and we do know, Mr. Speaker.

**Mr. Peterson:** Is the minister prepared to table that information in the House so that all members of this House, as well as the people of this province, will know the real effects of the walkouts that have occurred up to this time and what will transpire in the next two days as a result of this wholesale walkout?

**Hon. Mr. Grossman:** When we get a chance to review this information—and for quite obvious reasons I personally have not had a chance to do so—

**Mr. Peterson:** Then you don't know what is going on.

**Hon. Mr. Grossman:** My ministry does. I have had a brief update on the situation. My senior staff, whom I trust completely, are satisfied that most hospitals are taking appropriate procedures to make sure they meet all their obligations under the legislation.

As a result of the telex I sent out last week, those hospitals that are having difficulties, that have reported shortfalls, that have reported any perceived problems or, indeed, whose reports back to us were not satisfactory, have been contacted by us and told that certain steps must be taken. At present, we have a large staff hard at work on that with all of the hospitals.

So the Leader of the Opposition will understand, on the basis of reliable information supplied by most of the hospitals throughout this province, it appears at present that there will be no urgent or immediate threat tomorrow or the next day. That is on the basis of the information that the hospitals have and on the basis of the information that we and the hospitals have from the OMA and the participating physicians with regard to the plans they intend to put in place for next week.

In simple terms, we have ensured that hospitals will take all steps necessary to meet their obligations under the act; and it appears all those obligations will be met.

Of course, there is nothing one can do to ensure that a particular doctor somewhere in the system does not take a certain action which ultimately will have gone too far. There is nothing one can ever do about that, except to use the disciplinary powers and the full force of those disciplinary powers.

With regard to the statistics available, when we review them we will see what information

can be relayed, obviously without names and without too much detail because that would be breaking a serious confidentiality, and we will try to satisfy the House that this information is available to the members so they can make their own value judgements. We will see what we can do to compile that for them.

**Mr. Foulds:** Mr. Speaker, now that it is clear negotiations have broken down—for example, the minister says in his statement: “As members can see, we have offered every conceivable option”—and the minister is going to allow the walkout tomorrow and Wednesday, can he clearly indicate to the House what he will perceive as a threat to the health care system? I choose my words carefully. Will it require a death? Does it mean somebody is going to have to die? If not, can the minister tell us what steps he has taken to prevent the potential threat to the health care system? Is he only going to act after the fact? Will he now at least request the College of Physicians and Surgeons of Ontario to implement concerted action by members of the Ontario Medical Association as a cause for medical misconduct?

3:10 p.m.

**Hon. Mr. Grossman:** Mr. Speaker, let us be quite fair about this. I take some exception to the tone of the question asked by the deputy leader of the third party, because if there is any indication in that question that this government does not perceive these actions as ones which warrant consistent and careful monitoring, that would be unfair and inaccurate. If there is any implication in that question that this government will sit back and wait until there is a tragedy, that is unfair, wrong, totally inaccurate and unacceptable for the honourable member even to suggest by implication.

Each and every day in this province, the member, the members of his caucus and every citizen have one basic thing to rely upon, and that is the physicians' dedication to their patients' health. We can sit here and pass every piece of legislation that he and I can dream up, but I believe the physicians of this province will not allow under any circumstances—

**Mr. Foulds:** Louder, Larry.

**Hon. Mr. Grossman:** The member does not want an answer. He wants to make an accusation involving a possible tragedy, and he gets excited when I take objection to that.

**Mr. Wildman:** He didn't make an accusation.

**Mr. R. F. Johnston:** He is indicating your posturing.

**Mr. Foulds:** Stop pointing your finger and answer the question.

**Hon. Mr. Grossman:** Let me make it very clear to the member that, perhaps unlike him, while I have clear responsibilities, I recognize the ultimate responsibility for protecting the patients of this province will happen in the hospitals, in the offices and in the homes of this province. It will be the physicians providing that care who will ensure there is no tragedy.

If the member believes that any law he wants to write or pass will make a physician suddenly decide he will not do something that will threaten the health of a citizen of this province, then I believe he is deluding himself. If he has taken the time to read the Health Disciplines Act and the regulations thereto, he will know the physicians of this province have extreme and severe responsibilities to their patients. They are spelled out quite explicitly, and this government through the CPSO has vested responsibility.

Let me step back a moment. This Legislature, through the College of Physicians and Surgeons of Ontario, has vested a lot of authority in that college to take every step necessary to make sure that an extremely high obligation is imposed upon and carried out by every physician. As one looks at the sequence of events over the past three weeks, and at the numbers and types of incidents reported, it appears to date that almost without exception, although not totally, the physicians are meeting their obligations.

That is not to say I am satisfied with the job action. I do not think it should be undertaken. That is not to say I think actions such as those related to the Hospital for Sick Children are allowable or acceptable under any circumstances. But the fact of the matter is that the bottom line in terms of protection—I want to use the words the member used: the threat to the health care system—lies in the hands of the physicians of this province.

I have to say to the member that, as unhappy as they may be or appear to be, I have seen little indication that there are very many physicians, if any, in this province who are prepared to risk the health of their patients to get more money. Let me make that clear.

Let me also make it clear that this government is not responding to the kind of job action by simply saying, “We'll pay any price to stop the job action.” Nor are we understating the implications of the job action. But, with respect, to suggest that this government is not monitoring or understanding the job action, and for him



to hold out a perception that the OMA is suggesting to its members that they do more than it is telling them to do, is raising a threat and a perceived threat to the citizens of this province which is quite unfair.

**Ms. Copps:** Mr. Speaker, I remind the minister that there are sick children in hospitals all across this province—

**Mr. Speaker:** Supplementary, please.

**Ms. Copps:** —and I want to ask a supplementary question. In his main statement, the minister stated the ultimate responsibility would lie with the doctors and the hospitals. Will he tell this House what action he has taken in response to a letter sent to him regarding an action by the board of directors of the Ottawa General Hospital some six days ago?

I will read the letter into the record. The letter came from Mr. Pierre Richard, the chairman of the board. It was sent to the minister, as well as to the head of the OMA:

“At a meeting of the board of trustees of the Ottawa General Hospital held on April 20, the matter of the withdrawal of certain professional services by doctors holding privileges within the hospital was discussed. The board of trustees is appalled by the possibility of a one-day disruption this week, to be followed by a possible two-day disruption next week, if matters are not settled between the Minister of Health and the Ontario Medical Association.

“The Ottawa General Hospital recognizes its obligations under the Public Hospitals Act and the obligations of the doctors to exercise their privileges within the hospital. However, under present legislation, it is the understanding of our board of trustees that we are powerless to act and certainly powerless to resolve this matter expeditiously. On behalf of our hospital and our community, we pray that the Minister of Health and the Ontario Medical Association act immediately and settle this matter, to avoid disruption, unnecessary expense and hardship to our patient population.”

In the light of the hospital's reply that it is “powerless to act” in the face of two-day disruption, what will the minister do to prevent this strike and protect the health of patients?

**Hon. Mr. Grossman:** Mr. Speaker, I suggest that the board is not powerless; it has authority under the Public Hospitals Act and the Health Disciplines Act to take appropriate action. I appreciate the honourable member's comment that she supports the suggestion that we should act immediately to settle the dispute. I know she

says that in the context of her suggestion that our 10 per cent offer originally was generous enough. I am sure that would go a long way to settling this dispute.

For the guidance of the member, other members of the House and those members of hospital boards who are being kept informed on this by our ministry, under the Health Disciplines Act the definition of professional misconduct includes, among a long list of things, “failure to carry out the terms of an agreement with a patient; contravening while engaged in the practice of medicine any federal, provincial or municipal law, regulation or rule or a bylaw of a hospital designated to protect the public health.”

So “professional misconduct” under the Health Disciplines Act includes by definition, in the regulations passed by the government of Ontario with the concurrence of the College of Physicians and Surgeons, “contravening . . . any bylaw of a hospital” in this province. Therefore—

**Ms. Copps:** So you are not prepared to do anything. Six days ago you received this letter. Will you reply to it?

**Mr. Speaker:** Order.

**Hon. Mr. Grossman:** Before the member has to stand on a point of personal privilege, let me finish. I may give her some more information.

“Failing to carry out the terms of an agreement or contract with a hospital” is also defined as professional misconduct. These are some of the reasons I believe that appropriate legislative steps, measures and protections are in place for the hospital boards to take appropriate action against those physicians who appear to be undertaking job action that may amount to professional misconduct under the definition of the act.

That information either has been relayed already to the board of that hospital or will be relayed shortly to the board of that hospital, or perhaps the member may want to go out in the hall before she goes out to see the cameras and relay that information to the hospital herself.

**Mr. Foulds:** Mr. Speaker, I have a new question for the Minister of Health on the same subject. Now that it is clear, with his statement today, that the minister is negotiating in public with the Ontario Medical Association, can he help the public of Ontario and the members of this Legislature reconcile the totally different steps and statements made about the process by himself yesterday and by the OMA? Can he tell this House why we should continue to have faith in his negotiating ability when it is clear that the



OMA, the spokesman for the medical profession in the province, has lost faith in the minister?

3:20 p.m.

**Hon. Mr. Grossman:** Mr. Speaker, might I say that the tenor, general direction and tone of the OMA's press release yesterday really does speak for itself. It does not warrant any response. It does not call for any response from me. I will not even purport to answer it, because it is so outrageous. Let me make it clear that I have nothing further to say about the tone or some of the words used in that press release. They were inappropriate.

If the acting leader of the third party wants to take the position that because of a press release issued by the OMA I am no longer a good negotiator on behalf of the government, he should go back and read some of the things that were said about me by the Chrysler negotiators or by the Secretary of the Treasury in the United States when he called the Premier (Mr. Davis) and complained about our negotiator. Ultimately, I ended up with a deal that even the member's party supported.

**Mr. Foulds:** What about the contradiction in the series of events.

**Hon. Mr. Grossman:** I will get to that in a minute. I think the members should put the expletives used in that press release yesterday in the context of the audience, perhaps, for which it was written and the purposes for which it was written.

In terms of the events leading up to last Sunday, yesterday I put out a statement, of which I am sure the member has a copy. Having agreed to recognize the OMA as the bargaining agent-representative for the physicians of Ontario, I think the government is bound and obliged to deal with and listen to their negotiating committee and the members of their negotiating committee.

When Dr. Scully contacted Mr. Butler last Thursday morning and offered to meet with him, just to be sure that this one-on-one discussion was one that involved authority, Mr. Butler said to Dr. Scully, "Do you have authority to conduct these discussions?" Dr. Scully went back to ascertain his authority. It took him an hour. He called back and assured Mr. Butler that he had authority to conduct these discussions.

I think we would be subject to a great deal of criticism with regard to our negotiating ability if we said, "We know you have authority but we will not discuss it with you." Then we would be

criticized for allowing a job action to continue while refusing to listen to proposals put to us by an authorized spokesman for the OMA.

The authorized spokesman for the OMA met with Mr. Butler. They reached an understanding with regard to a certain framework of figures which Dr. Scully said he and others felt would likely be accepted by a board meeting that they were prepared to call for Saturday and that he, Mr. Trevino, Dr. Reese, Dr. Vail and Dr. Moran would advocate its acceptance on Saturday.

Dr. Scully said, "I want some proof from you, Mr. Butler, that your principals will accept this arrangement." Therefore, accounting for my late arrival last Thursday, I met in my office with Dr. Scully and Mr. Butler. In the presence of Mr. Butler, Dr. Scully essentially repeated what I have just said. I indicated that on behalf of the government I was authorized to support that proposal as the basis for settlement.

Dr. Vail subsequently was contacted by Mr. Butler, Dr. Vail being the chief negotiator for the OMA, and he confirmed all of the above to Mr. Butler. That is the basis on which the weekend board meeting was convened. I was extremely surprised and disappointed to understand that, rather than follow the advice which I am sure was given, as we were told, by those four or five people, this board meeting asked that negotiations resume and that the negotiating teams meet for many hours.

I had every expectation that those four or five very influential, authorized spokespersons for the OMA, in advocating the arrangement we had agreed on, which they said they would support, would be able to persuade the board that they as the chief spokesmen should be trusted.

Apparently something happened at that board meeting. I certainly cannot answer for what happened at that board meeting except to say that what has become apparent is that the board rejected it. Even after the board rejected it as a result of further negotiations, we altered our offer to try to meet the demands and requests of the board; the board still rejected the offer.

I cannot explain what happened inside that board meeting. I particularly do not understand how they could have unanimously voted to turn down an offer that was better than the offer that four or five of their leaders had offered to take and support for settlement. So those are the events of last weekend.

My final disappointment was on Sunday afternoon, when it became apparent that the rejection was perhaps due to a misunderstanding-



ing, a failure to understand all the implications of the government's arrangement and proposal. I offered to meet with Dr. Reese, but instead, as I indicated in my statement, the OMA board, Dr. Reese, whoever—I do not know—said no. They went to their press conference; Dr. Reese went back to London, and the board dissolved.

Happily, Dr. Reese at least called this morning to say that he wished now to take me up on that invitation and to try to sort out some of these understandings or misunderstandings and seek some clarification. He clearly wants an enrichment of the government offer, make no mistake about that, but clearly he wants and has agreed to undertake further discussions, and we have agreed as well.

**Mr. Foulds:** Let me get this straight if I can, because the minister's answer tends to confuse more than enlighten. Is the minister admitting, first of all, that he is powerless to take any action at present with regard to a doctors' walkout? What is he going to talk about tomorrow with Dr. Reese? Is money the only tool he has? Is he going to try to buy his way to an agreement?

**Hon. Mr. Grossman:** Quite obviously, if I were prepared to buy my way to an agreement we would have solved this several weeks ago and I would not be receiving complaints from very many members of the opposition that, in their words, we are allowing a situation to continue too long and allowing job action to occur.

This government is not prepared to pay amounts of money that it feels are not warranted simply as a result of pressure because, of course, pressure brought by certain key groups in society, physicians being one of them, can be so great and so overpowering that there is no price that some people would say is too much to ensure adequate health care.

The honourable member is no different from me. If we did not have adequate medicare in this province, I would pay anything for health care; particularly if it involved my children, money would be no object. If we did not have medicare, it would be a totally different scheme. But the taxpayers and the physicians in this province are all participants in a medicare scheme, and we as taxpayers are paying for the health care delivery system in this province.

Conceivably, we could buy our way out of this; but then what is the ceiling? There is no ceiling if we buy our way out of it. That is why, although it is easy for some members of the opposition—and I look at some over on the Liberal benches—to say, "Give them more

money," while others say, "You are giving too much already," and some say, "We do not know how much you should give, but settle it"—that was the Leader of Opposition.

**3:30 p.m.**

I understand all of that but ultimately we have to strike an arrangement which is not easily struck and which is fair to both the taxpayers and to the physicians.

I do not consider either alternative: that is of being unfair on the side of the taxpayers and saying we will not increase it on April 1, that it will be zero, much like they did in the province of Quebec; nor do I conceive it as a viable alternative to say health care is so important the sky is the limit and they can just name their price and we will pay it.

That is why this is very delicate and difficult to deal with. It is, of course, compounded by the emotional distress that every citizen of this province and I face through this period of time, compounded by some extreme statements that have been made from time to time, not from this side of the House and not from these negotiators on the government side.

It is very difficult to reach what will be seen to be a fair arrangement. It is finally made even more complex by the fact that a group of board members at the OMA are charged with the difficult responsibility of making some decisions on behalf of 14,000 physicians. Very many of these physicians are having the same difficulty grappling with compounding, additive, a five-year arrangement, catch-up concepts, the Weiler report, methodology, 30th percentile and so on. So it is very difficult to handle it.

I can only say to the honourable member, as one who was up until 4 a.m. on Saturday night trying to solve that, it is very difficult to work through this. None the less, I am determined to stick with it, including on Tuesday and Wednesday with the board, to make sure that everyone is equitably treated.

**Mr. Peterson:** From our vantage point, I have watched these negotiations and as well I have had a number of discussions with some of the officials involved from the OMA. It has become obvious to me, not only from watching the public escalation of rhetoric against the minister, that bad feelings have developed in these negotiations. The last offer was called a deception and an insult.

I believe there has been a deterioration for a variety of reasons, one because of the minister personally. Why does he not consider bringing

in the Premier at the 11th hour to try to get a resolution to this question tonight?

**Hon. Mr. Grossman:** May I say that Dr. Reese has accepted my invitation to come to see me and that is an appropriate thing for him to do. I think it is an indication, notwithstanding the press release that the OMA felt obliged to put out yesterday, that Dr. Reese, who has had conversations with me earlier, has a somewhat different opinion of me. I believe, if the member does not mind me saying, there are still a great number of physicians in this province who have a different opinion of me than he is trying to project.

I can only report that I have spoken with my Premier from day to day. I enjoy, something that may be unique in the member's party, the full and complete support and authorization of my leader. Dr. Reese knows that and I believe a great number of physicians know that my job is not to beat them down or beat them up or to doctor-bash, as some people on the side of the leader of the Liberal Party, in fairness, have done. They know that I have been most temperate, even when tempted, as recently as yesterday, by that outlandish press release, and will not get involved in any mud slinging at all with the doctors.

I say to the leader of the Liberal Party that I do not intend to do that and perhaps that is why I enjoy the full and complete confidence of my leader, while the member for Renfrew North (Mr. Conway) is looking carefully over the Leader of the Opposition's shoulder.

**Mr. McClellan:** I would like to ask the minister, since I am confused by the increasingly comic-opera nature of the negotiations, if he could explain to me how it is that he is able to stand up and say that his last offer to the OMA, which is detailed on page 11 of his statement today—compounded increases, the three per cent adjustment bracketed and mutually agreeable process on top of the figure set out on page 10—how he can say that last offer was relayed to Dr. Scully, Mr. Butler, Dr. Reese and Dr. Moran and that they were “going to call a special meeting of the board and recommend it to them,” when the OMA spokespersons categorically deny they ever said that they would recommend a specific proposal to their board of directors on Saturday?

**Hon. Mr. Grossman:** I can only state clearly, as I have done both in and outside this House, what the sequence of events was. I do not want any confusion to come out of the honourable

member's statement. Robert Butler, the government's chief negotiator, is former Deputy Chairman of Management Board of Cabinet in this government and a very respected member of the business community of Ontario. Both Mr. Butler and I were present last Thursday in my office when Dr. Scully relayed that information. It was subsequently confirmed by Dr. Vail to Mr. Butler in a telephone conversation.

I have, in Mr. Butler's handwriting, the offer that was being talked about at that time. I made notes in Dr. Scully's presence, so that the words I used in this assembly last Thursday would reflect, accurately, the state of the negotiations at that time. I have stated what I know to be the facts. The members of this House may choose to believe Dr. Reese's version of the facts as relayed on Metro Morning today but Dr. Reese was not in my office last Thursday. I leave the members of this House to judge who might be a better witness to the events that occurred in my office last Thursday. Dr. Reese was in Chicago. I was in my office with Dr. Scully.

#### HYDRO EXPORTS

**Mr. Charlton:** Mr. Speaker, I have a question for the Minister of the Environment. I presume that the minister has seen the letter of last Thursday from Mr. Rubin, of Energy Probe, regarding the sale of power to General Public Utilities, on page three of which Mr. Rubin refers to the responsibility of the cabinet of this government in the approval of any contract Ontario Hydro should sign with the US on that sale.

The minister has stated on a number of occasions that under federal legislation the Environmental Assessment Act would have no legal force. But, surely, since the cabinet sets the policies for Ontario Hydro and will have to approve any contracts between Ontario Hydro and any US authority, he has the ability to intervene in cabinet and ask them not to approve any contractual arrangement on this GPU sale until such time as an environmental assessment has been conducted and shows, clearly, that that sale is both necessary and advisable in environmental terms.

**Hon. Mr. Norton:** Mr. Speaker, I am not sure there was a question. I heard a rather lengthy statement but I do not think there was a question; unless it was, have I seen Mr. Rubin's letter. Yes. It was delivered to me by hand in the House some time Thursday afternoon and is at present on my desk. It is a rather lengthy letter and although I have taken a quick look at it, I



have not had a chance to read it in detail. That is the only question that was asked.

**Mr. Charlton:** Is the minister prepared to intervene with the cabinet to get assurances that there will be no signing of contracts until an environmental assessment, whether it is legally binding on the federal government or not, clearly establishes that any proposed contract by Ontario Hydro is environmentally safe and sound?

3:40 p.m.

**Hon. Mr. Norton:** Mr. Speaker, the issue is not whether an environmental assessment is legally binding upon the federal or the provincial government. The question is whether the environmental assessment legislation of this province has any role in this situation based upon matters relating to constitutional law. There are three legal opinions of which I am aware which make it clear that is not the case.

If the member is trying to determine what my specific recommendations may be to cabinet when the matter comes before it, I have no intention of breaching my oath of office and divulging what my specific recommendations will be until such time as I have made those recommendations to cabinet.

**Mr. Elston:** Mr. Speaker, I wonder if the Minister of the Environment would tell the people of Ontario that he would be willing, under his own auspices, to carry on an environmental assessment hearing so he could get full disclosure of all the information he would need to ensure that the cabinet would have the information needed to make the final determination as to whether Ontario Hydro will go along with this sale.

**Hon. Mr. Norton:** Mr. Speaker, as I have indicated before, and it has already in fact begun, I shall make sure I have all the information at my disposal that is necessary in order to fully advise cabinet.

### PETITION

#### MANITOUWADGE AND SCHREIBER BOARDS OF EDUCATION

**Mr. Stokes:** Mr. Speaker, I have a petition I would like to present to the Minister of Education. This is the justification of the reason I am presenting the petition:

"It is essential for you to note that these signatures were gathered over a 24-hour period which was characterized by very inclement weather. Further, it is important for you and the

ministry to understand that the Schreiber situation was only a small part of the myriad of problems and dissatisfactions that led the people of Manitouwadge to become incensed enough to sign this document. Rather, this board's insensitivity to Schreiber was merely the straw that broke the camel's back. Further, it is interesting to note that the majority of Manitouwadge's complaints and growing refusal to accept this board as acting in the true interests of the people stem from the board's own documents and presentations.

"We would respectfully ask that you forward this petition to the Minister of Education, along with your supporting comments, as soon as possible (yesterday would be fine). Also, we would ask you to make the presence of this document in the hands of the Ministry of Education publicly known to the Legislature."

The petition reads as follows:

"We, the undersigned residents of Schreiber and Manitouwadge hereby make the following petition:

"1. To re-establish the Manitouwadge and Schreiber boards of education.

"2. To return to the Manitouwadge and Schreiber boards of education any and all assets, real property, houses, apartment buildings, etc., found within the townships of Manitouwadge and Schreiber and currently under the control of the Lake Superior Board of Education.

"3. That the implementation of any approved but not yet enacted decisions and/or actions of the Lake Superior Board of Education be delayed.

"4. That the newly constituted boards be given the power to review such decisions of the Lake Superior Board of Education pertaining to Manitouwadge and Schreiber over the past 12 months with a view to determining whether or not these are truly in the towns' best interests."

It is signed by 1,443 residents of the township of Manitouwadge and 732 residents of the township of Schreiber.

#### CHILDREN'S MENTAL HEALTH SERVICES

**Mr. Boudria:** Mr. Speaker, on a point of privilege: Now that the time for the tabling of reports has just expired, I would like to draw to your attention that on last Monday, April 19, the Minister of Community and Social Services (Mr. Drea), as reported in Hansard on page 909, stated to myself and the member for Scarborough West (Mr. R. F. Johnston) that he would

table a report by Dr. Naomi Rae-Grant of the Children's Listening Centre of North York.

That was seven days ago, Mr. Speaker, and I am informed by the Clerk that we have not yet had the tabling of this report.

**Mr. Speaker:** I am sure the minister will take note.

## MOTIONS

### ESTIMATES

Hon. Mr. Wells moved that the estimates of expenditure for the fiscal year ending March 31, 1983, of the Ministry of Tourism and Recreation, be referred to the standing committee on resources development; to be taken following the estimates of the Ministry of Energy.

Motion agreed to.

### PRIVATE BILLS

Hon. Mr. Wells moved that Bill Pr6, An Act respecting the City of Windsor; Bill Pr10, An Act respecting the City of North York; and Bill Pr13, An Act respecting the City of Toronto, now referred to the standing committee on general government, be transferred to the standing committee on administration of justice.

Motion agreed to.

### MOTION TO SUSPEND NORMAL BUSINESS

**Mr. Peterson:** Mr. Speaker, as you are aware, last Thursday we gave notice that we wanted to move an emergency debate with respect to the withdrawal of doctors' services across Ontario. That was put over to today, and refiled today.

Mr. Peterson moved, seconded by Mr. Nixon, pursuant to standing order 34(a), that the business of the House be set aside to debate a matter of urgent public importance, namely the threat of the withdrawal of all but emergency services by the doctors of Ontario.

**Mr. Speaker:** Before the member proceeds, I would advise all honourable members that the notice of motion has indeed been received in time and does comply with standing order 34(a). I will be pleased to listen to the honourable member for up to five minutes on why he thinks the ordinary business of this House should be set aside.

**Mr. Peterson:** As I said earlier, we thought this debate should have been held last Thursday but we put it over until today. I can tell you, sir, it is even more critical today than it was last Thursday. We, in the opposition, have sat and

watched what we consider to be a major deterioration in the negotiations between the Ontario Medical Association, the doctors and the government of this province since the unilateral imposition of the government's position—the final solution, I should call it—on March 31 of this year.

It has always been our wish that there should be a negotiated settlement; that this dispute would be solved amicably. I do not believe that we on this side of the House have in any way complicated the negotiations. I think I speak for my friends in the New Democratic Party as well when I say all of us have wanted a peaceful resolution. We have gone through several days of rotating strikes across the province and we now face the threatened withdrawal of medical services, this Friday, on a provincewide basis.

This is a most serious situation, Mr. Speaker. Our already beleaguered and overburdened health care system is now faced with cases that are having to wait two, three and four months for elective surgery. Every single day is important in the operating rooms of the hospitals of this province. It is critical that we get on with the job.

We find evidence everywhere. My colleague, the health critic, has been collecting evidence of the critical nature of the health care system in this province. We are already seeing examples of the effects of underfunding and mismanagement which will compound those difficulties which already are so much more serious than they have been in the past.

We deem this to be an emergency. In the 10 minutes allotted to me in the debate—should that be granted by you, sir, in your wisdom—I am going to give you our view of how it should be solved.

The evidence received by all my caucus colleagues, both directly and from their constituency offices, indicates the threat which exists not only to the quality of the health care system as a whole but also to individuals, in case after case, such as the senior citizen who has to take a taxi ride to get his prescription refilled. That \$5 may not matter very much to you, Mr. Speaker, but, believe me, that taxi ride matters very much to the person on a fixed income who has to pay it out of his wallet; it substantially alters his budget for that month. And the list goes on and on.

3:50 p.m.

We have had selective intervention by the minister. He believes it was a gross travesty for doctors to walk out of the Hospital for Sick



Children, but how does he relate that to the postponement of surgery for a senior citizen or a woman who needs exploratory surgery for suspected cancer? I do not know how he differentiates the trauma involved in these various cases. Yes, I understand and sympathize with the plight of young people, but those problems are going on all across this province.

We believe we need an emergency debate this afternoon to put our position forward, as we have as best we could in question period for the last two or three weeks. We think we need a thorough airing of this question so we can all have an opportunity to point out to the government the gravity of the situation it has allowed to develop over the last three weeks or so.

I say with regret that in the absence of a negotiated solution, which would have been preferred, which we tried to co-operate with and which we encouraged from every point of view, we are going to have to use the power of government to prevent those walkouts from taking place. I will talk about that a little later.

Mr. Speaker, I want to impress on you the urgency and gravity of the situation, and I would ask you in your wisdom to grant this House the emergency debate so we can have a full discussion.

**Mr. McClellan:** Mr. Speaker, I am pleased to rise and indicate that the New Democratic Party will support the motion for an emergency debate this afternoon on the very urgent question before us and urge you to grant that debate. The issue, very simply put, is the question that the member for Port Arthur (Mr. Foulds) asked in question period: Is there a threat to patient care in Ontario because of the scheduled rotating walkouts next week and the three days of general walkouts the following week?

The Minister of Health (Mr. Grossman) has been asked over and over again whether these walkouts are a threat to medical service and the quality of medical care in Ontario under the terms of the Health Disciplines Act, which oblige him to protect and maintain the standards of medical care.

When the minister was asked that last Tuesday, April 20, he said in effect that he did not know: "Whether there are sufficient doctors in those hospitals to ensure that patient care is not threatened in this province is precisely the reason I am sending a telex to every hospital." In other words, he did not know. He confirmed in a supplementary answer to my question, "We cannot make those assessments." This was on Tuesday, April 20; he still could not make the assessments on Friday.

He was asked again today to assess the risk to patients in Ontario. What did he say? He did not tell us how many hospitals had responded to his telex; he did not tell us how many hospitals were prepared for a strike tomorrow. He said, "Most hospitals." How many is that? How many hospitals are prepared and how many are not prepared? It is obvious that on the eve of the general walkout the Minister of Health is as unable to tell us whether there is a threat to the health care system in Ontario as he was a week ago.

It was stated in this morning's paper he said that if there were a threat to health care he would bring in legislation to end the strike. But he does not know whether there is a threat to health care; he does not have the facts of the situation. He is playing Russian roulette, and that is not a game we are prepared to play. It is as simple as that.

We put forward our solution on April 15. It represents a threefold process of settlement.

First, we want the kind of concerted walkouts that are taking place tomorrow to be characterized as professional misconduct under the Health Disciplines Act. Second, we want a new dispute settlement procedure to be introduced in Ontario, based on the recommendations of the Hall report, that would bring in third party binding arbitration. Third, and equally important, we want an end to extra billing so that there will not be massive retaliation by the Ontario Medical Association against the universal insurance program and against any settlement the government of Ontario brings forward.

I take it from the minister's statement today, on page three—I can pursue that in the debate, but I assume the minister is looking at amendments to the Health Disciplines Act, as we have suggested.

I do not know what the leader of the Liberal Party is proposing, because up until the start of this debate, we have had nothing concrete. We look forward with interest and suspense, not to say apprehension, to hearing what he is going to propose by way of what he is calling back-to-work legislation. What we think is appropriate is an amendment to the Health Disciplines Act. I hope we are both talking about the same thing.

At any rate that will be another important feature of the debate, for each of the parties to do as we have already done two weeks ago, that is to say set out their proposals for a settlement of the dispute.

**Hon. Mr. Wells:** Mr. Speaker, in commenting on the suggestion today, the motion put forward

to you that the business be suspended so that we may debate the withdrawal of all but emergency services by the doctors of Ontario, I would like to say, first, I think many times I have stood up here and argued, I think effectively, but perhaps not persuasively enough to persuade you, sir, that what was being proposed was not a subject for a real emergency debate in this chamber.

I think many of the debates we have had in that area have been—how could I phrase it?—perhaps just an excuse to talk about something that may not have been as much of an emergency as some of us may have thought. But we have always bowed, sir, to your judgement, and we have many times ourselves agreed after you have given your judgement that a debate should proceed rather than blocking such debate, as we could.

I think there is no question that the matter before us today is truly an emergency matter, one that fits right in with rule 34 of the standing orders of this House. It is something that all members of this House would like to express some opinions on. I find myself in a unique position in even talking about it here and I am not going to take part in the rest of the debate, but it was my privilege to be Minister of Health in this province on the day medicare as we know it now began in this province.

There were people then who said that in the way it was being run in this province it would not work. I want to say that it has worked, and it has worked because of the dedication of the health professionals of this province. It is well to remember that there would be no health system in this province without the health professions, and there would be no health system in this province without the doctors of this province. I think it is well to remember that as we take part in the debate—

**Mr. Nixon:** Usual slam on the chiropractors.

**Hon. Mr. Wells:** I think the chiropractors do a fine job too. I have always been a supporter of the chiropractors, as my friend knows.

I think it is well we remember that, though, as we participate in this debate. All I would like to say is, from our side, we view this as a true motion that expresses the emergency situation and we are happy to support an emergency debate this afternoon.

4 p.m.

**Mr. Speaker:** Thank you. I have listened carefully and with great interest to the comments of the various members. Quite obviously,

there seems to be an agreement that the debate should go ahead.

I would like to point out one thing by referring to the standing orders. The standing orders do not say anything about it being an emergency. The debate itself is an emergency debate, but the standing order says quite clearly, "The Speaker shall then rule on whether or not the motion is in order and of urgent public importance."

I think that is the key. I do find that the motion is in order, and I do find that it is of urgent public importance. I rule, therefore, in favour of the motion.

The question before the House is shall the debate proceed?

Motion agreed to.

**Mr. Speaker:** Just before the Leader of the Opposition starts, I would like to remind all members that they are limited to 10 minutes.

#### PHYSICIANS' SERVICES

**Mr. Peterson:** I thank you, Mr. Speaker, and I compliment you on your wisdom in allowing this debate to proceed today. I am only sorry that the Minister of Health (Mr. Grossman) is not in the House to participate in this debate. Presumably, he will be briefed on the whole matter by his long list of aides who have been assisting him in the long series of complicated negotiations.

I want to make several points today. It is my belief, and I alluded to this in a question I asked earlier, that the medical profession has, to some extent at least, lost confidence in the minister. I believe there is a personal feeling growing among a number of them. I have talked to some of the leadership. I have talked to a number of doctors across this province who have phoned me to express their points of view on a variety of issues.

They believe the Minister of Health is trying to make his own political career on their backs and this has resulted, in his case, in a number of miscalculations and actions that have not served the negotiating process well.

I said at the beginning, and I will repeat it again, that we have always favoured a negotiated settlement. It is funny that in this House the Minister of Health has stood up and tried to deflect a question by quoting some ancient newspaper report of what the former critic for Health said as compared to what I have said. He tries to play the same game with the New Democratic Party, quoting the former leader as opposed to the new leader, and he says to



himself, "Am I not a wonderful fellow because I am so consistent?" and weasels out of the responsibility by saying that we have different points of view.

I am speaking for my party when I say we have been completely consistent on this matter. I have been asked by a number of people as to what my point of view is and how much money I would give to the doctors. I say to the government now, as I said then, it is impossible to ask someone who is not sitting at the negotiating table to come up with a realistic figure.

I am not party to the macroeconomic projections of this province for the next three years. I do not know what revenues will be. I have no idea of the plans of the Treasurer (Mr. F. S. Miller). I have no idea what inflation will be. They are the ones with the computer models. They are the ones with all the information as to how much can be allocated to the health care field two or three years from now.

It would be superficial or only politically expedient for me or anyone else to jump and say that is enough, that is too much, or that is the right amount. I do not like to make judgements when I am not sure of the accuracy of those judgements, unless I at least, have reasonable information on which to make them.

Obviously, it was a source of great delight to the Minister of Health to say that I would not get involved in a debate to the extent that I would say the appropriate figure is 11 plus three per cent; 10 plus three per cent; eight plus three per cent, or whatever the figure happened to be. I believe that we in the opposition are not in the position, as is no one—even perhaps you, Mr. Speaker—who is not part of those negotiations, to say what the real answer is.

The real answer is what both sides will take peacefully and what both sides can live with. That is the real answer. That is a negotiated answer. I am just sad that the process of negotiation has broken down. If the minister treats the Ontario Medical Association—and I suspect he does—like he treats the opposition members in this House, it is no wonder the negotiations have broken down to some extent.

As I said earlier, in spite of his attempts to play statesman on this matter with a low-key rational approach, there has been a major series of miscalculations on his part which are seriously affecting the negotiations. I want to deal with those in my limited time.

The minister is the one who made the final three-year offer on March 31 of this year. It got the doctors' backs up and they said, "We don't

want to deal with that kind of person." That was the first thing that made them mad. There were other things before. There was a 10 per cent offer back in January. There was a long delay of some six weeks between his taking over the ministry and his first offer. Then he gave his final solution and walked away from negotiating for a period of a week or so.

Then the doctors, the Ontario Medical Association and the ministry got involved in a game of "It's your move, Alphonse," as to who would negotiate with whom. Everybody was playing Mexican standoff. We saw these final solutions, this get-tough bargaining, and it invited people to call the other side's bluff. All the while the OMA was developing a defensive strategy.

In human terms, I have tremendous sympathy for the frustrations the OMA and the doctors are feeling across this province.

In that statement, the minister's whole strategy was to set brother against brother. As I mentioned in the House that day, he said: "The doctors will not follow the leadership of the OMA. I have faith that they will not walk out." In saying that, he invited them to walk out.

I am sure the degree of militancy and the degree of discipline in the OMA has caused the minister some alarm and has caused him to rethink his original strategy of trying to break that group apart, or at least to ask doctors to break ranks with their leadership.

Then he intervened politically, saying, "Well, you can walk out in certain hospitals, but don't walk out in Sick Children's Hospital." Then he tried to call in a favour from Doctors' Hospital, for which he gives himself credit for saving four or five years ago in a previous incarnation. But when we invoke that kind of politics—

**Hon. Mr. Grossman:** Mr. Speaker, on a point of personal privilege: I shall deal with all his other crazy accusations later, but the Leader of the Opposition was in the House last week when I rose on a point of personal privilege and pointed out I did not ask for any favours or call in any favours from Doctors' Hospital.

He need not believe me. I just want the record to show that I corrected it last week and I reaffirm unequivocally this week that I did not have any contact whatsoever with the Doctors' Hospital or request anything, and the Leader of the Opposition really should not—

**Mr. Peterson:** Mr. Speaker, in fairness, the minister did say that. I did not see the letter of retraction in the Toronto Star that he presumably sent and I apologize for that. But as I said, it was a political intervention exploiting the emo-

tive appeal of a children's hospital; first, the Hospital for Sick Children, then another sick children's hospital in eastern Ontario and then all paediatric wards across the province.

I said in my earlier remarks that, as much as I sympathize with that point of view, having small children myself, I find it a less than honest way of facing up to some of these problems facing us in the area.

I know I am under time pressure, but I have mentioned in this House before the terrible burden the minister has put on the College of Physicians and Surgeons of Ontario, asking it to become labour arbitrators or mediators in this labour dispute, asking members of the college who themselves have participated in walkouts to sit in judgement on their peers.

That system of discipline in this dispute is breaking down. It does not work and we have had a number of comments from various members of the college as to why it is unfair to put this burden on the college and ask them to do the minister's work.

Then we go on to the Ontario Medical Association, which felt badly about the onus he put on it. He accused the OMA in public of not faithfully conveying his message to the doctors, saying that if he had the opportunity of explaining his proposition to the doctors directly they would have agreed with him. He was accusing the OMA in some way or other of not being fully forthcoming in taking his message to its own membership.

Then he put an unbearable burden on the Ontario Hospital Association saying, "I want to ask you to monitor the activities of the hospitals," as to which doctors were not sitting on committees, were not signing charts, were involved in postponing or cancelling surgery and a variety of other things.

He found about a week and a half after that he was not getting reports back from the OHA. In fact, they had never been officially notified that they were to report. Then he went directly to the hospitals, and we asked him specifically today in the House to give us the facts. What are the facts? How many people are being upset by these cancellations or postponements of surgery? He did not know.

He says he is gathering that information, but from what we know from my colleagues' task force going across this province there is tremendous hardship. We are all hearing about this daily. The series of miscalculations he has made not only in the negotiating, bargaining process

but in enforcement has further eroded his position in these negotiations.

**4:10 p.m.**

I do not have very much time left, but I want to say the minister should have brought in legislation at two or three o'clock today after question period for first, second and third readings of back-to-work legislation in this province. We would have supported it; we would have helped to expedite it.

It should be introduced tomorrow. It should have been there to prevent this walkout. There is ample precedent for it; he could look at the legislation in Quebec and a variety of other jurisdictions. We should not allow that walkout. In spite of the fact that we want to negotiate a settlement, our paramount concern on this side of the House has always been the welfare of the patient and the integrity of the health care system in Ontario, and it is being severely threatened by this walkout.

I regretfully say that we must use the power of this Legislature to prevent that tonight. We should have an emergency sitting tonight to get that legislation through so it will prevent the walkout tomorrow, and so we can go back and solve it this time by binding arbitration.

Perhaps we have to look at more intelligent mechanisms to solve these kinds of disputes in the future if the process has broken down, but we have an obligation to solve this problem here and now in Ontario, and time is of the essence.

I am asking the minister to use his power. We will support him; I am sure my colleagues in the New Democratic Party will support him to get it through the House.

**The Deputy Speaker:** Time.

**Mr. Peterson:** If you would allow a minute because of the point of privilege I would be grateful.

**The Deputy Speaker:** No. I have allowed that already. I am sorry, I should have indicated that.

**Mr. Peterson:** I just want to say to the minister as forcefully as I can that he is asking for trouble. He has made the mistakes. Let us now work together to try to get a solution to this problem before there is a major tragedy that will make us all very sad and that will hurt the integrity of the health care system in this province.

Let us do it now. He has the power; we will help.

**The Deputy Speaker:** I would just like to point out to the Leader of the Opposition that I did not want to interrupt his speech; I did make



allowance for the Minister of Health's point of privilege.

**Mr. McClellan:** Mr. Speaker, I had expected the Leader of the Opposition (Mr. Peterson) to set out in detail his proposals for back-to-work legislation, as he calls it, but I am afraid his proposals were characteristically vague and insubstantial. I still do not know what he is talking about, except that he is talking about "back-to-work legislation."

I hope that during the course of the debate his colleagues will specify exactly what he is proposing, because what kind of legislation is brought before us to deal with this dispute is significant. It is not simply a question of asking for back-to-work legislation as though this were not a unique situation.

My colleagues and I have argued as strenuously as we could that the appropriate route for the government to take is to amend the Health Disciplines Act so that the concerted withdrawal of medical services by doctors would constitute professional misconduct. I understood from the minister's statement today that, in the event he should come to the conclusion that there is a threat to health care and he feels himself required to bring in legislation, he is looking at the same thing. At least, I hope that is what he is doing.

I would insist, however, that the two other concerns we have identified be dealt with as well in any kind of legislated settlement of this dispute. It is not sufficient simply to talk about the legislation that would make the withdrawal of services professional misconduct; it is also necessary to bring in a new dispute settlement procedure along the lines of Mr. Justice Hall's.

It is as clear as it possibly can be that the current process of resolving disputes between the government and the Ontario Medical Association has disintegrated into some kind of low farce. It is *opéra bouffe* of the worst kind. The minister says one thing and the Ontario Medical Association has a diametrically opposed version of the events of the last couple of days.

**Hon. Mr. Grossman:** Who would you believe? What do you think?

**Mr. McClellan:** Fortunately, I do not have to sort that one out. All I point to is the fact that the negotiation process is in a state of shambles. There is nothing to fill the void after the fact-finder has completed his report.

It seems to me the logical next step to bring into place a rational, objective, nonemotional, noninflammatory dispute settlement procedure

is to accept the recommendations of Mr. Justice Hall so that there is an additional procedure that can be triggered when an impasse occurs.

A three-panel board of arbitration with an independent chairman chosen by the Chief Justice of Ontario can be brought to bear on the situation, to examine the situation fairly, objectively and independently without the brush of either government bias or professional bias, and its decision, based on that independent objective inquiry, would be binding on both parties.

Third, and equally important in any legislative dispute, there must be an end to extra billing. Otherwise, as one who rarely makes predictions or prognostications, I suspect very strongly that when the minister is forced into a legislated settlement because of the clownishness of the negotiating process, if there is a legislated settlement and there is not an end to extra billing, there will be a new campaign to encourage doctors to opt out of OHIP and extra-bill their patients that will make the 1978 campaign look like a kindergarten party.

If the minister wants to legislate an end to this settlement he is going to have to bring in all three measures. What has the minister's position been to date? It has not been very impressive. Quoting from Hansard on page 606, he started out by saying on April 6, "At present the situation is largely composed of threats." Those would be the so-called threats by the doctors to have five days of rotating strikes in North Peel and four days of rotating strikes in St. Thomas. The minister said those were threats and they were not going to happen.

Right through this whole sorry episode the minister has taken the threats of the Ontario Medical Association and dismissed them. Starting with its threats of administrative disruption, he dismissed those until they were implemented and then he dismissed the threats of rotating strikes until the strikes took place.

Then he dismissed the threats of escalated strikes until the escalated strikes are upon us. Does he now dismiss the threat of a general walkout? So far the OMA has at least been as good as its word. It has carried out every single threat it has made. The minister has been singularly foolish in dismissing every threat it has made.

The minister has pretended there is no risk to patients, even though again today he was unable to answer questions in this House with respect to the state of readiness of our hospitals. Even though we are on the eve of a general walkout tomorrow, he still cannot tell us how many

hospitals have responded to his telex. He cannot tell us how many hospitals are in a state of preparation for a strike.

He says most hospitals are prepared. I assume "most" means less than all. How many are not in a state of readiness? In which communities are the hospitals located that are not ready for the walkout tomorrow? Of course, the minister cannot answer those questions because he does not know. As we stand on the eve of a strike, he does not have the means of assessing the degree of risk. He admitted that last week and he was unable to refute it today. The minister does not like it, but the issue boils down to the degree of risk this government is prepared to take.

As we stand here, we are engaged in the psychology of a death watch. The media are waiting for the first tragedy. I think the community has an enormous sense of apprehension about what is happening in our medical system in this province.

**4:20 p.m.**

The minister is not able to assure us there is no risk. He is not able to present us with facts to reassure the people of this province that there is no risk. So he is gambling that there is no risk. He says, "Unless there is a threat to the health care system, I am not prepared to bring in a legislated settlement."

What that means—I do not know how else to interpret it and neither does anybody else—is that unless and until there is some kind of a tragedy this government is not prepared to act. I think that is an intolerable gamble. It is as simple as that.

I do not think the minister should do that. I think the minister has the responsibility clearly set out in the Health Disciplines Act to protect the quality of medical services in Ontario and ensure that each and every individual has access to those services. That is his duty and it is described in the act as his duty. It is not his duty to sit there and wait until some tragedy forces him to act.

**The Deputy Speaker:** One minute.

**Mr. McClellan:** He should assume his duty and responsibility under the act. We have indicated to him what we are prepared to support.

We are prepared to look at anything else he brings forward as a legislated settlement, as men and women of goodwill, but we ask him to assume his responsibilities, not to take the chance of something happening, and ideally to bring in a legislated settlement based on amend-

ments to the Health Disciplines Act that would preserve the responsibility of the College of Physicians and Surgeons for disciplining its membership, but make it explicit that the withholding of medical services for collective bargaining purposes does, in fact, constitute professional misconduct.

**Mr. Gordon:** Mr. Speaker and colleagues, I am certainly rather taken aback by the approach of the Leader of the Opposition (Mr. Peterson). He seems to be living in a sort of Alice in Wonderland world when he tells us he cannot really comment on negotiations in any meaningful way because he does not understand the figures.

He does not understand where Ontario is going in the next three years, because he does not understand the blue book, the budget and so forth. He does not understand the joint committee on physicians' compensation for professional services headed by Chairman Paul C. Weiler.

I really have to wonder when someone demands an emergency debate on something we agree is an emergency and he says he really cannot get into it because he does not understand. I want to tell him the people of this province are not going to be enthused over the next three years unless he begins to get some facts, unless he begins to say something meaningful, unless he comes in here with some constructive points.

Let me make a second point. The member says it is a terrible burden on the College of Physicians and Surgeons, but he has no suggestions. He does not suggest anything. He does not say, "They have this problem so I think we should be doing this, this and this." That is not going to wash for long in this Legislature. I think he should think about it.

**Mr. Peterson:** You don't think I will last as long as you, Jim?

**Ms. Copps:** The only one who is washing his hands is Pontius Pilate over there.

**Mr. Gordon:** We will come around to you, don't worry.

Ontario's network of 230 public hospitals is the institutional core of the health care system of this province. Since hospital patients by definition are ill and in need of care, the impact of threatened OMA job actions on hospital service is a subject of particular concern.

Let me reaffirm in the strongest possible terms that this government will not tolerate harm to the health of any patient of any hospital in Ontario as a result of the withholding of



services by a physician. We hope and believe the physicians of the province will place their responsibility to patient care above their desire for greater financial reward. Indeed, the OMA itself in its newspaper advertisement has declared, "No one will suffer more than inconvenience."

In carrying out its mandate, the Ministry of Health has been watching developments in the hospital sector very carefully. The government, and I am sure the public, appreciate the co-operation of Ontario hospitals in monitoring events in their institutions. In addition, the Ontario Hospital Association agreed to carry out basic monitoring of member hospitals.

Following a review of the procedure with the OHA, the association agreed that some specific monitoring processes should be carried out directly by the ministry, which is considered equipped to carry it out more effectively.

Accordingly, the Minister of Health (Mr. Grossman) has requested hospitals to inform the ministry immediately of any major problems concerning the quality of care and treatment of patients. Hospitals have also been asked to provide weekly written reports on patient care for the duration of the job action.

Furthermore, as members will have heard, hospitals must be prepared to deal with the evolving situation. Consequently, the minister has requested hospital board chairmen to convene special meetings of hospital trustees. The obligation of trustees is clear, both legally and ethically: to protect and safeguard the health of the patients entrusted to the hospital's care.

The hospitals have been asked to respond to the ministry on three specific points. All hospitals are to report on the recommendations of their medical advisory committees for maintaining the quality of care during any withdrawal of services. As well, they are to report on the steps being taken by the committees to provide supervision over the practice of medicine in the hospital.

Hospitals are also requested to submit their plans for assuring that essential services are in place. Finally, hospitals have been urged to notify the ministry if they foresee problems in maintaining an adequate standard of care.

I might answer one of the points brought up, I believe, by the member for Bellwoods (Mr. McClellan) when he was talking about the present preparedness of hospitals. This was sent April 20, via CNCP Telecommunications:

"I request that you advise the ministry of the following:

"(1) Your medical advisory committee's rec-

ommendations as to how the quality of medical care will be maintained in the hospital during any withdrawal of services, as well as the steps the medical advisory committee is taking to provide the supervision over the practice of medicine in the hospital.

"(2). Your plans to assure that essential services are in place to maintain the quality of care and treatment of patients in your hospital at an acceptable level.

"(3). Your undertaking to notify the ministry should your plans indicate that your hospital may not be able to maintain an adequate level of patient care and treatment and may fall short of meeting your obligations as outlined above.

"I would appreciate it if your report could be made available to the area team by telephone, followed by written confirmation before the date of the threatened withdrawal of services."

This information will give the ministry an accurate picture of the impact of physicians' action. The government is fully confident that the hospitals will successfully meet the challenge posed by any job action. In fact, there is reason to believe that the withdrawal of service will not be as drastic as some OMA pronouncements would suggest.

For example, in a number of hospitals last week physicians made their regular rounds despite the job action. The president of the OMA has stated that during the walkout some doctors will make hospital rounds, emergency surgery will be done, babies delivered, broken bones fixed, bleeding patients looked after and people with high fevers and infections will receive care.

Nevertheless, I believe physicians should understand that one of the options hospitals possess is their control over hospital medical privileges. Those privileges include the right to admit patients and use hospital facilities. Hospitals then, do have the means to deal with any incident of physician failure to look after patients adequately. Other sanctions exist through the disciplinary powers of the College of Physicians and Surgeons.

Opposition members want back-to-work legislation. It should be clear that the most effective adjudicator in this situation is not the arm of the law but the conscience of the individual physicians of this province.

**Mr. Foulds:** Like the hospital workers.

**Mr. Gordon:** I am glad the honourable member has brought that up. It is interesting that the New Democratic Party in Saskatchewan legislated 4,000 hospital workers back to work and



hen passed legislation that would not allow any other group to strike during the election campaign. That really is the kind of thing all New Democrats can subscribe to over the next three years and maybe even a fourth year.

4:30 p.m.

Each of us in this House has the utmost respect for the physicians he knows personally and is confident that professional ethics will prevail. While the government is dismayed by the tactics of the Ontario Medical Association and despite the fact that negotiations have broken off again, we are committed to continuing to negotiate in good faith. We are equally committed to doing everything in our power to ensure that patient care in our hospitals is not jeopardized in any manner whatsoever.

**Ms. Copps:** Mr. Speaker, it is obvious that the member for Sudbury (Mr. Gordon) is not privy to the facts. If he were, he would have been able to inform this House about the response to the telex, which is something we have been seeking from the minister for the last number of days.

Earlier today I tabled a letter, dated April 21, that was sent by a hospital board of trustees to the Minister of Health (Mr. Grossman) and to Dr. Lionel Reese, in direct response to the telex from the ministry, in which it is stated: "The Ottawa General Hospital recognizes its obligations under the Public Hospitals Act and the obligations of the doctors to exercise their privileges within the hospital. However, under present legislation it is the understanding of our board of trustees that we are powerless to act and certainly powerless to resolve this matter expeditiously."

They have turned over the responsibility to the minister. Yet the minister stood in the House today and said the ultimate responsibility lies with the hospitals and the doctors. This is a classic case of the minister, like Pontius Pilate, washing his hands of the health care problems facing the people of Ontario.

If the minister chooses not to believe the words of the official opposition or of the third party, perhaps he will heed the words of the *Ottawa Citizen*, which clearly points out in an editorial that this government's policy is ruled by panic.

The editorial, under the heading "Rule by Panic Hurts Health Care," reads:

"Sheila Copps and her Liberal fact-finding committee couldn't be touring the province at a more opportune time. The state of health care

and health education, particularly in Ottawa-Carleton, is, to put it mildly, depressing.

"Not so long ago, Dennis Timbrell, then Ontario's Health minister, bemoaned the cost to the government of hospitals and hospital beds. Out went the beds and naturally now we have a shortage . . . 'Improperly placed patients have made the situation much worse,' Civic Hospital director Peter Crothers told the Copps committee."

I am sure the minister is quite aware of the findings of the committee, since he has had an official monitoring just about every one of our presentations. Where no monitoring has been done, he has told members of the district health council that he would be interested in having the information passed along to the ministry.

The closing sentences of the *Ottawa Citizen* editorial, referring to the underfunding facing colleges and hospitals, is very telling in this situation and with respect to the whole health care system in the province. They read: "But college officials don't hold out any hope that Davis and the boys"—with all due respect, I say to the Minister of Education (Miss Stephenson)—"will change their tune. They know, as we do, that hucksterism is the name of the game, not good solid planning."

I can say in good conscience that all of us were hoping the situation would be resolved this weekend. Whereas it is important for the opposition to provide critical opposition in the area of health care and in other areas, we also realize that there is something much greater at stake.

When the minister said in his statement that he did not wish to invoke back-to-work legislation—a model, I might point out to the New Democratic Party's Health critic, who seems to be unaware of past historical models, that was legislated by Quebec in 1970—that he did not want to change the historic patterns for the control of professional disciplines in the province, I submit to the minister that the historic relationship of doctors to patients in this province has been changed drastically.

The fact that doctors and the Ontario Medical Association have taken it upon themselves to walk out, to withdraw services, to go on strike, however the minister would like to define the strike, is certainly a departure from the historic relationships that we in Ontario have enjoyed with our doctors to date. That being an historic change, I suggest the minister might take a historic step and follow the Liberal Party's suggestion to invoke back-to-work legislation.

**Mr. Foulds:** Can you spell that out for us?



**Ms. Copps:** If the honourable member is seriously interested, I will send him a copy of the Quebec legislation, which was invoked almost 12 years ago and which certainly would provide a model for this situation here in Ontario.

I also wish to point out that the health problems facing the people of this province certainly will not be ended by the resolution of this problem.

**Hon. Miss Stephenson:** You must be joking. Holy cat! She wants a War Measures Act against the doctors. Once a Liberal, always a Liberal.

**Ms. Copps:** It is very interesting that the former president of the OMA, the Minister of Education (Miss Stephenson), has had nothing to say on this issue. If she has comments to make on this situation, I invite her to rise and state them in the House.

As a matter of fact, the minister has been untowardly silent in this situation, preferring instead to consult her notes and bury her head in her papers when any situation regarding the doctors is raised in this House.

**Hon. Miss Stephenson:** Do you have any knowledge of the parliamentary system of government? Obviously you don't.

**Ms. Copps:** I again invite the minister, who seems to have very candid opinions on other subjects, to stand and be counted in the House. Frankly, I do not think she has the guts.

**The Deputy Speaker:** Back to the debate. Interjections.

**The Deputy Speaker:** Order. We are not having a dialogue across the floor of the House.

**Ms. Copps:** We have here a situation where the Minister of Health has refused on repeated occasions to accept responsibility for administration of the Public Hospitals Act. We have here a situation where the minister prefers, rather, to deflect the very serious responsibility that he monitors in his position as Minister of Health. He deflects that to the College of Physicians and Surgeons and to the hospitals.

The minister told us in the House here today that he personally was not aware of each individual situation being faced by the College of Physicians and Surgeons. Very frankly, I wonder whether he is putting the onus on his senior government officials to carry the bag for him. If one goes back into the comments made in Hansard, the minister very clearly said he was putting his trust in his senior officials and that he was not personally aware of every situation.

With respect to the letter from the Ottawa

General Hospital that was sent to the minister on April 21 as a result of his telex, where in his very concerned way he supposedly got in touch with hospitals across the province, he said outside the House that he did not know whether a reply had yet been tabled to the hospital boards and that he did not know whether the matter had been raised with the College of Physicians and Surgeons.

I submit that a situation where a hospital board or a group of trustees indicates in writing that it no longer can be responsible for carrying out the activities of monitoring the Public Hospitals Act in its own hospital is a very serious situation. Frankly, I am shocked not only that the minister has not developed a mechanism whereby we can control this situation across Ontario but also that he does not even know whether a response to this letter has yet been sent to the hospital board in question.

I submit that in our limited travels across the province—and believe me, they have been limited, because we are operating on an opposition budget; it is a very difficult situation to get information—if this letter has been drawn to our attention in just one visit from one hospital last week, I ask the minister how many other hospitals have got in touch with him; how many other hospitals have expressed concern about their ability to carry out their responsibilities as trustees. And if in fact those trustees have contacted the minister, why has he not tabled in this House some specific programs, some specific modus operandi to respond to the serious continuing walkouts we are going to be experiencing this week?

4:40 p.m.

It is fine to say the hospitals should be responsible. It is fine to say the doctors will monitor their activities. It is fine to turn it over to the College of Physicians and Surgeons. But ultimately the people of this province are looking to the minister for leadership and for answers to a walkout by doctors that is certainly going to jeopardize not only the health but possibly also the lives of people across this province.

If the minister does have such a modus operandi and such actions in his ministry, will he please bring those to the attention of the House so that we, as well as the people of Ontario, can judge whether the government's reaction to the continuing hospital walkouts and the continuing doctors' walkouts will be sufficient to meet the critical need we are going to be faced with in the next few weeks?

**Mr. Renwick:** Mr. Speaker, the House will be pleased to know that in the riding of Riverdale we have the South Riverdale Community Health Centre. Outside that building, to inform the community, is a clear and simple statement that all services are maintained as usual. That is a matter of great solace to the people in the area I represent.

**Mr. MacDonald:** It is the same in York South.

**Mr. Renwick:** I am sure that is so, and I am sure it would be true in any area where there is a community health clinic operated on a non-profit basis.

There are many concerns one could address in the debate today, but I want to direct my attention solely to the minister and his obligations, not as they may be written in law at some future time but as they exist today. If the minister has not already breached the responsibilities placed by our legislation upon him, he is perilously close to it, and I would say that by this time tomorrow he will be in breach of his obligations. I want him to understand that.

Our law is not confused. Our law is clear. Our law was the result of a great deal of work which finally received the approval of the Legislature when we enacted the Health Disciplines Act. My colleague the deputy leader of this party put the key clearly to the House this afternoon. The public situation in Ontario—not the situation in the world in which the minister is living in his negotiations and telephone calls, but the position which the deputy leader of this party put—is what the public apprehends. That is that negotiations have broken down and that tomorrow there will be a walkout, using the term of the Ontario Medical Association, or, what I think is probably a more accurate statement, an interruption in the provision of medical services to people in this province.

Because the minister is engaged in negotiations under the Health Insurance Act, we are being asked to ignore the obligations of the minister under the Health Disciplines Act and pretend that they do not exist. I want the minister to understand this clearly because, as my colleague the member for Bellwoods (Mr. McClellan) has indicated, it may be that legislation is necessary but, if the route to be followed is the proper route, it should be through the Health Disciplines Act.

I want to say to the minister that with the exception of one word—and I suggest that word is only in there because of the euphemism of the relationships between a government and a self-governing profession—which might be changed

if necessary, and I do not believe it is necessary, the minister has responsibilities which he must exercise in the next few hours.

I do not think for one moment the minister can dismiss, for whatever reasons he may wish to dismiss it and leaving aside everything that is intemperate or may offend the minister, the actual language of the statement made just yesterday by the president of the Ontario Medical Association which the minister has done nothing to disabuse:

“All local organizations of the OMA will be informed immediately of the board’s decision so the province-wide walkout scheduled for Tuesday and Wednesday will be carried out as planned. The medical profession of Ontario will continue to meet its responsibilities for the health care needs of the people of the province to the best of its abilities. On the other hand, the government of Ontario is acting in an irresponsible and arrogant manner. Any jeopardy to health care therefore must rest fully on the government’s shoulders.”

It is our position, and I want to put it very clearly, that we are not going to be caught in the game of whose responsibility it may be when the time comes that something serious happens. My colleague the deputy leader put it in somewhat dramatic terms, perhaps overly dramatic, because he felt it was a proper way to put it, and the minister responded by accusing us of making an accusation against him.

There is nothing in the laws of this province that allows the minister to pick and choose who does or does not receive medical care in Ontario. We cannot say that by and large people will receive care or that they will receive some part of the care to the extent and degree that will satisfy the words of the law of Ontario.

I want to touch briefly on the law. The minister will excuse me, but I belong to that profession; I believe in the tradition of self-governing professions and I do not want what is happening here to destroy one of the major professions in this province.

My references are very simple. If anyone wants to look at them, they are sections 2, 3, 46 and 49 of the Health Disciplines Act. I will not go into them all in great detail; I just want to highlight them. I assure the House that, to the best of my ability, these are accurate statements.

It is the minister’s duty to ensure that the practice of medicine is effectively regulated in the public interest. It is his obligation and duty to ensure that the standards of practice are



maintained. It is his obligation to ensure that the rights of individuals to the services provided by the practice of medicine are maintained.

The College of Physicians and Surgeons of Ontario has this obligation. I am no longer talking about the OMA; I am talking about the minister in relation to the council of the College of Physicians and Surgeons. The College of Physicians and Surgeons, in order that the public interest may be served and protected, is obligated to regulate the practice of medicine and to govern its members.

In addition, under this statute, the minister has this power: to request the council to undertake activities that in the opinion of the minister are necessary and advisable to carry out the intent of the statute. The minister has other powers; they are in the sections to which I have referred. But under that specific power, it is the minister's obligation to request the council to undertake activities that in the opinion of the minister are necessary and advisable to carry out the intent of the act. The intent of the act as passed by this Legislature was to protect the people of Ontario in the provision of health care services. The minister has that responsibility, and he must exercise it.

Some people may say that the council of the College of Physicians and Surgeons could object to a request by the minister and not carry it out. That may be a euphemism, as I said earlier. The Minister of Health (Mr. Grossman) on this day could request the College of Physicians and Surgeons to assert to the membership of that college, which is every physician in Ontario, that one of the activities it will not condone is a general concerted walkout by the members regardless of how many members participate in it or the extent and degree of participation by any particular person.

**4:50 p.m.**

I say very carefully that it is not sufficient, as the member for Sudbury (Mr. Gordon) tried to say, that we will leave it to the conscience of each individual physician. If we were going to do that, we would have not passed the statute of the province of Ontario. Of course we expect them to live by that obligation, but the minister is responsible.

The minister, as I said at the commencement, is perilously close to being in default under that act. If he does not act through the council of the College of Physicians and Surgeons to call off the walkout within the next several hours, then in my judgement, for whatever it may be worth to him, he will be in default under that act.

I could go on and cover a number of other points. I could refer to the very simple statement I made about a year ago now when we had a brief lull of some kind of time on our hands, but I want to make this brief one statement about opting out and the question of extra billing. I quote from what I said on June 18, 1981:

"To the extent the problem of opting out and extra billing is allowed to continue as a hidden lever in the negotiating process between the provincial government and the medical profession in the settlement of the costs of those services, we are putting the whole of the medicare system in jeopardy in the very broadest sense of that term."

**Ms. Fish:** Mr. Speaker, I would like to return to some of the themes that have been touched upon by members opposite through different speakers and at different times.

While acknowledging, as some have suggested, the authority and responsibility of the Minister of Health (Mr. Grossman), I would like none the less to explore a little further some of the authority and responsibility of both the hospitals and the College of Physicians and Surgeons of Ontario, which have been touched upon in part.

The member for Hamilton Centre (Ms. Copps) suggested, as did the Leader of the Opposition (Mr. Peterson), that perhaps an unfair burden was being placed upon the College of Physicians and Surgeons to determine whether there is professional misconduct, to sit in judgement of complaints respecting activities of those members of the medical association who have been engaged in what can only be termed as a wholesale withdrawal of a major portion of health services to the patients and public of Ontario in the course of engaging in what can only be described as a series of rotating strikes.

It is interesting to suggest that the council of the very body that has the responsibility of establishing and maintaining standards of conduct for the professional conduct of medical practitioners in this province—a body established to give life to the phrase the member for Riverdale (Mr. Renwick) suggested, "the self-governing profession," which those members of the medical association suggest they are—equally has the responsibility of discipline and determining that corrective action is taken when members of the association, that purportedly self-governing profession, withdraw their services and potentially place the public of Ontario at risk.



Neither the council nor any member of the medical association can have it both ways. You are either a member of a self-governing profession, operating through the College of Physicians and Surgeons with a council establishing and maintaining your standards of service, or you are a member of an association that perhaps merits reconsideration for certification under the Ontario Labour Relations Board.

The responsibilities of the council are clear. I note that they are meeting over the next few days. I am extremely concerned that there are members of that very council who have engaged in and support the withdrawal of health services to the people of Ontario. I am appalled that members of the council have not to date debated the very real question as to whether withdrawal of services in this fashion maintains or is appropriate professional conduct.

I would share with the members of the assembly today one of the key criteria for determining professional misconduct; it is the failure to maintain the standard of practice of the profession. I would note as well that the final indication for misconduct is "conduct or an act relevant to the practice of medicine that, having regard to all circumstances, would reasonably be regarded by members as disgraceful, dishonourable and unprofessional."

Does the council of the College of Physicians and Surgeons consider that the wholesale withdrawal of health services to the patients of Ontario is, excuse me, graceful? It is honourable? Is it professional? How will the council and the members on disciplinary hearings feel about the complaints that may come forward? If they are to be self-governing, they must exercise their responsibility and let us know where they stand on a very critical question. It may be we will have to review the self-governing aspect. It may be we will have to re-examine the authority and jurisdiction given to the council.

It is perfectly clear that, at the time it was established, rotating strikes of this sort and the withdrawal of services were completely unprecedented and unheard of. They were not contemplated by practising physicians in this province. Yet today we see it happening again, threatened for a further period of time, with the strutting of the president of the Ontario Medical Association, crowing in his news releases about the fact that he projects 70, 80 or 90 per cent of his members withdrawing their services. Perhaps the time indeed has come to reconsider that relationship.

I move briefly, in consideration of time, to the

thought that some reference might be appropriate to the role of the Ontario Hospital Association. There has been read into the record already a couple of times the telex from the Minister of Health to hospitals seeking advice from them in dealing with withdrawals. Something I have not yet heard read into the record, and therefore would like to share with the members, is a suggested form of reply the OHA sent around to its participating members. I quote:

"The OHA has not been notified by all hospitals of the extent of medical staff actions to boycott committees. It is apparent, however, that in a number of hospitals the medical advisory committee is not functioning in the customary manner at this time," that being April 21. "In such circumstances, the OHA believes it is a good and sufficient response to the minister's first request"—that is to say, the request of the advice of the MAC in dealing with the withdrawal of service—"to state that your board has been assured by responsible officers of your medical staff that the quality of medical care within the hospitals will be maintained and carefully watched."

I suggest to the members that if the OHA, which purports to speak for the hospitals of this province, is going to be suggesting the form of reply to hospital administrators and to hospital boards, apparently or conceivably without an examination of the specific responsibilities of those administrators or of the boards, then it might do well to reread the Public Hospitals Act and regulation 865 under that act to understand the responsibility of the boards, the administrators and the medical advisory committees. It seems to me that would be appropriate if it is purporting to speak for the hospitals and, indeed, purporting to advise the hospitals about some sort of fill-in-the-blank form letter reply hospitals perhaps can give.

Let me be specific on regulation 865 under the Public Hospitals Act. It is very clear. Clause 3 states, "The board of a hospital is responsible for the enforcement of the act, the regulations and the bylaws of the hospital." It is, in other words, responsible for ensuring the continued delivery of health care through the hospitals of this province. It is interesting to note that one of the requirements is the establishment of the medical advisory committee, composed of members of the medical profession who, among other things, under the regulation "provide supervision over the practice of medicine in the hospital."



I ask you, Mr. Speaker, if the members of the medical advisory committee are not serving on the medical advisory committee, how, then, do they supervise the practice of medicine in that hospital? I put that question to the individual doctors concerned; I put that question to the boards and the administrators of the hospital and, most particularly, I put that question to the council of the College of Physicians and Surgeons of Ontario. Where does the council stand?

5 p.m.

Finally, I would put a further question to hospital administrators. There is an interesting clause further on in regulation 865, and it reads as follows: "If the administrator believes that a member of the medical staff is unable to perform his duties in the hospital, the administrator shall notify the president or secretary of the medical staff, and thereupon the president or secretary, as the case may be, shall arrange for another member of the medical staff to perform the duties." It could not be clearer.

**The Acting Speaker (Mr. Robinson):** The member has one minute remaining.

**Ms. Fish:** I say in closing that if the climate, the expectations, the standard of ethical conduct have so drastically altered from the days when the College of Physicians and Surgeons was established and from the days of the movement to boards operating the public hospitals of this province, then indeed it may be time to drastically revise, reconsider and review the relationship between government and those who are practising medicine in this province.

**Mr. Wrye:** Mr. Speaker, I rise to speak in this debate with a sense of disappointment that we are not speaking in debate to put an end to this walkout, and I find myself completely at a loss to understand why the minister and this government continue to allow themselves to be pushed around in the face of a situation in which the quality of health care is really being put at risk, as it will be, in my opinion, tomorrow and Wednesday and, should this situation drag into next week, for three days in the week of May 1.

I found it absolutely incredible to watch a minister, in a sense, grovel in his place today—and that is what he was doing—when he said: "I went to the president of the Ontario Medical Association and said: 'I will meet with you; I will meet with the council of the OMA; I will plead with you. Now will you call off your strikes, which are scheduled to go province-wide tomorrow and Wednesday?'" Dr. Reese said, "No, I

won't, Mr. Minister." And the minister said, "Oh well, I tried."

These strikes have become no laughing matter. A constituent, who called my office late Thursday, told me a story of how she had been off work since the end of January. She required additional surgery, which was to be performed tomorrow, but because we are going to have strikes all over the province tomorrow, including the city of Windsor, that surgery had been cancelled.

For two months this lady has been losing an average of \$90 a week in pay because she was off sick, and she was looking forward to having the surgery completed—elective surgery though it was—having a sufficient time to recover and then returning to her place of employment and also to some measure of the kind of financial independence she and her family had enjoyed. When that surgery was cancelled last week it delayed her return to work by some two months, because it has been rescheduled for June 24, almost two months to the day from this date.

I might add that I spoke with her physician this afternoon and apprised him of the situation so he would understand that there is a very real financial hardship to this lady and her family as a result of his decision to cancel the elective surgery. He has given me a promise that he will look at the matter again, and I understand that he has informed the lady in question that he is attempting to get her a bed in the hospital, even at this late date, so the surgery can be performed.

But if there is this one example in my constituency, there are thousands like it across the province. One would have thought by this time, whether the situation was life or death or not—and I know the deputy leader of the New Democratic Party suggested to the minister today that he is indeed playing it a little fast and loose with the life and death situation some people might face. The minister found that to be rather extreme. I do not know whether it is or not, but surely we have reached the point where the people of this province deserve a little better than the kind of nongovernment they have been getting for the last several weeks.

I think the major responsibility rests—though I certainly appreciate the comments made by the member for St. George (Ms. Fish) and I fully endorse her call for a little more independence on behalf of the council; it is trying to have it both ways in being the council of the College of Physicians and Surgeons and, in the next breath, endorsing and taking part in these rotating

walkouts. But we could have avoided all this if we had had a little more flexibility on the part of the government at the outset. I refer specifically to the original 10 per cent offer by this government, and then its refusal to negotiate and moving very quickly to a fact-finder.

If we had had a little more flexibility throughout, we might have resolved the situation far quicker. It is just fine for the minister to stand in his place and blame my colleagues the member for Hamilton Centre (Ms. Copps) or the member for London North (Mr. Van Horne) or somebody else. The member for Sudbury (Mr. Gordon) thinks that is great, that somehow the opposition ought to govern. Give us three more years, I say to my friend from Sudbury, and we will be governing. We will be governing because the government has proven itself utterly and absolutely incapable of governing, not only in this dispute but in so many others.

The minister stood up and said the Leader of the Opposition does not understand all the details. That is only to say that he is not now preparing a budget. He will be in 1985. He will be.

Interjections.

**Mr. Wrye:** They have an answer for everything. Absolutely everything.

Interjections.

**The Acting Speaker:** Order.

**Mr. Wrye:** They follow Saskatchewan, that is true.

We had the minister standing in his place on April Fool's Day and informing us he had invoked the final offer. I have reread his statement several times and I thought that was it, and so did everyone in this Legislature. Yet, nine days later he came on bended knee and said: "Let us have urgent talks. Let us reopen the whole thing." If the minister wanted to talk about having a little more flexibility going in, why was his offer not compounded immediately? In most multi-year disputes I have ever seen, we do not have simple offers, we have compounded offers. But we wanted to make the OMA a little more bitter along the way.

Finally, the minister came here on Thursday and implied that he had a memorandum of agreement, when all he had in years four and five was some kind of economic adjustment. No wonder there is misunderstanding.

This is not to say the OMA have been right every step along the way. It certainly is not right in what it proposes to do tomorrow and Wednesday. It should in good faith get back to work

tomorrow and Wednesday while the minister attempts to work out a solution. Failing an agreement on the OMA's part to act in good faith, the minister should have put an end to this. He should have put an end to this by introducing back-to-work legislation today.

Frankly, I am sure he has it prepared and he could have introduced it in this place. We could have been done with it by the time we adjourned at 10:30 tonight. The minister has another 50 minutes, and he has not made his remarks. Quite frankly, since the OMA has not shown the flexibility to end these walkouts, I am sure we, on this side of the House, are prepared to sit this evening and move ahead with this matter before we put health care in this province at a critical risk.

**5:10 p.m.**

Throughout this whole matter the minister has suggested that, first, the College of Physicians and Surgeons of Ontario, then the Ontario Hospital Association and now the individual hospitals under the Public Hospitals Act all have the responsibility to end these matters and bring about proper health care in Ontario. To use one example, it seems to me that to suggest to the Ontario Hospital Association that privileges should be removed from individual doctors simply is not practical. Who is going to practice medicine in the various hospitals if all the privileges are removed? Are we to add insult to injury? Are we to continue to have the dispute escalate?

Rather than moving from one position to another and attempting to pass the buck to others, what should have happened is the minister should have accepted his own ministerial responsibilities a long time ago when the negotiations began. He should have taken them in hand rather than trying to play a game of quiet bluff with the OMA. I suggest the results of that game will be seen tomorrow and Wednesday throughout Ontario as thousands of doctors remove their services and put at some degree of risk the whole matter of quality health care in this province.

**Mr. Wildman:** Mr. Speaker, I rise to speak in this debate because I agree we face an emergency. I had hoped we would hear two specific things in this debate. First, I hope the minister in his response will tell us exactly what he means when he says that if the system is endangered, if health care is endangered, he will take action. I want to know specifically, and I hope the minister will tell us, what he means when he says



danger, and I want to know what kind of action he contemplates.

The other thing I had hoped to learn in this debate was the exact Liberal position.

**Mr. Breithaupt:** Another disappointment.

**Mr. Wildman:** It is indeed another disappointment. I do not think the emergency we face is a time for us to get up in this House and make a lot of political statements. In asking for the debate, the Leader of the Opposition (Mr. Peterson) said he wanted an opportunity to put forward the Liberal position and for the minister to put forward his position. The minister still has that opportunity. So far I have not heard what the Liberal position is; except that they do not like the situation. None of us likes the situation.

Our position is clear. My colleagues have stated it and I will repeat it. It is one the minister does not agree with. I wish he did. To some extent, I agree with the comments made by the member for St. George (Ms. Fish) when she talked about the medical profession attempting to have it both ways in this situation. I do not think we can continue to allow that to occur.

I submit the reason they have been able to "have it both ways" is because the minister has attempted to have it both ways. All along, he has stated that he is attempting to negotiate, that he wants to negotiate an acceptable fee schedule, one that is fair to the medical profession and one that the taxpayers can afford. He has said that but, at the same time, he has indicated that he cannot go above certain levels, or he does not wish to go above certain levels.

That is a legitimate position for him to take. But instead of then saying, "All right, this is what we are going to offer," he said, "We have some other possibilities of negotiation," and it goes on and on and on. While the Ontario Medical Association decides that they will continue their job action, in our view we do have a dangerous situation, and health care in this province is in danger.

The minister has laid out all of the proposals in terms of the responsibilities of the hospital administrations and the responsibility of the College of Physicians and Surgeons of Ontario, but he has not said that he recognizes his own responsibility and what he is going to do. He has not made it clear to us how he is going to resolve this dispute and avoid the rotating walkouts.

As a matter of fact, he seems to be prepared to accept the rotating walkouts. He seems to be prepared to say, "All right, this kind of approach is acceptable as long as the health care is not endangered and as long as the individual patient's

health is not endangered." Yet he does not in any way define what he means when he says those things. Frankly, the public of this province is left confused by the minister's position, and I believe the medical association is also confused by it.

We have made quite clear what we believe should be done. We believe that the minister should accept the Hall recommendation for binding arbitration in disputes that cannot result in an amicably settled negotiation. We also believe that the minister should take his responsibility under the Health Disciplines Act and move to amend the regulations so the current kind of job actions will be defined as unprofessional conduct.

Over and above that, we have made it clear many times that the practice of extra billing must be ended in this province. One considers the situation of the doctors, as the member for St. George said, trying to have it both ways. The government is too. They want to negotiate a settlement, they want to negotiate a fee schedule that should be binding on the government and on the OMA, on everyone; but at the same time they want to allow the individual doctors, if they do not like the fee schedule, to be able to say to their patients, "I will bill OHIP for the portion of the bill that I am going to charge you up to the fee schedule under OHIP, and then I am going to bill you, over and above that, an extra amount that you will have to pay yourself, through a private insurance system, or whatever." That is just not acceptable.

The member for Oxford (Mr. Treleaven) said a little earlier he wanted us to make our position clear. That is our position. It is clear. It is one that is supportable. It is the kind of action that has been taken by other provinces in this country.

We are not in a situation that is isolated to Ontario. We have difficulties in terms of resolving the fee schedules for doctors right across the country. I believe we are in a situation where certain individuals, both within and without the medical profession, are attacking the medicare system as we know it. I believe there is a concerted effort on the part of not just some doctors but on the part of some politicians in this country to destroy the medicare system. I believe it is imperative that this minister takes action, quickly and immediately, to protect universal access to medicare in this province.

It is not enough for the minister to get up repeatedly in his place, play to the cameras and say, "I am a very reasonable man." Obviously,



has to be reasonable and he has to negotiate in good faith, but he also has a responsibility to protect the health of patients in this province and to protect the accessibility of all Ontario residents to good and adequate medical care.

20 p.m.

In this House, we are all used to the Liberals trying to have it both ways. Frankly, it is time for the government to take a position and say clearly what its position is and what it is going to do. What does "endangering health care" mean? What does "endangering the health of a patient" mean? What does the minister mean when he says that? If we reach that situation, what is he prepared to do to avoid a serious situation all of us in this House want to avoid?

If the doctors follow the procedures they are contemplating, the Liberals have said they want back-to-work legislation. They have not said exactly what kind of legislation that would be and they have not said how it would be brought about. They say: "We are an opposition party. We do not have to spell out exactly what our position is going to be. It is up to the government to govern."

In that much, I agree. It is up to the government to take the action that will protect the medicare system and defeat its further erosion.

We have made our position clear. We have made clear to the minister what we think he should be doing. I think he has made it almost as clear that he does not want to do what we have been proposing. If that is the case, what does he want to do? Is he going to continue to come into this House every second day and say, "I have another meeting arranged and we are looking for a settlement; it looks like we are going to have a settlement," then come back to the House two days later and say, "Well, it did not work"? The minister has the opportunity to tell us exactly what he means. I hope he takes it.

**Mr. Cousens:** Mr. Speaker, as part of the context of the deliberations today, we are looking at a larger picture. That has to do with a number of the key elements that go into a negotiating process.

The first thing I would like to comment on is the intentions of the government and the intentions of the minister which have been brought into some question by some of the comments made by the member for Riverdale (Mr. Renwick) and the member for Bellwoods (Mr. McClellan), comments which would somehow question the integrity of the negotiating process from the government side.

Having talked to the minister himself on numerous occasions, having listened to him in the House today, I do not think there should be any doubt in the mind of any member in this House or within the populace at large in Ontario that the Minister of Health (Mr. Grossman) cares as much as anybody about having a good health system in this province.

He is not going to give up on that. He wants the thing resolved and he wants to serve the people of this province. He is not only doing it for the short term to obtain a solution, but has in mind the long term so we can continue to build on a strong health care system for this province.

I think we should also realize we are living with a crisis in the economy in this province. There are many people without jobs. We are talking about people in the automotive industry, the construction industry and various areas where they are having tough times. At the same time, the government is not drawing in the funds it was when times were more prosperous. The government has to be fiscally responsible in presenting its case and in being able to say, "Here is an honourable agreement and honourable terms."

As part of that great, broader picture, no one in Canada has been bankrupted because of health care. In the United States, many individuals have suffered great personal financial loss because they could not afford it. What some would ask today is that the government bankrupt itself by going more and more deeply into the pot to pay for health care.

The process of negotiation is something we have to take seriously. Our government is indeed taking it seriously and is anxious to resolve this. May I say there is not a lot gained by trying to negotiate in public, and certainly the Minister of Health has manifested a good presentation in trying to carry out negotiations between the Ontario Medical Association and this province.

I find it difficult to understand the contention of the OMA that its disruptive actions are directed against the government. Doctors treat people, and it is the people who are being penalized by the withdrawal of services. It is very clear that the measures undertaken at the behest of the OMA have only one goal in mind: getting more money from people. As we all should realize, there is only one source of money for government, and that is the taxpayer.

The OMA is taking its case before the court of public opinion with all the risk that entails. In full-page newspaper ads the OMA maintains



that all it wants is for the Ontario health insurance plan to pay a fair fee. What is fair? According to Statistics Canada, doctors are already the highest-paid group in the country, and Ontario doctors are the highest earners in Canada, with the sole exception of those in Newfoundland.

We contend that the OHIP schedule presented by the Minister of Health on April 1 is fair and adequate compensation. It provides for a 34 per cent increase over the next three years, to bring the after-expense income of the average doctor to \$114,000 for 1985.

We must remember that the OMA itself chose the fact-finder, Mr. Paul Weiler, a Harvard law professor, who eventually recommended the two-stage, 14.25 per cent increase for doctors this year. The OHIP schedule implemented was in line with his recommendations, though more generous, but the OMA rejected it out of hand.

The OMA had accepted his recommendations the previous year. The OMA had demanded a 72 per cent increase. That would have brought the average doctor's wages to \$158,300 by 1985, or almost double the income of full-time participating physicians; and that was from OHIP alone.

Today, we are talking about an age when there are economic problems all over the place. The increase the government put into effect will increase OHIP's budget by \$656 million between now and April 1, 1985. There is more going out of and less coming into the Treasury; receipts from corporate income, mining taxes and the sales tax will decline by some \$300 million this year. At the same time, it is estimated that the federal transfer payments to Ontario this year alone will decline by \$290 million, a major portion of which would have gone to health. Also, 90,000 more taxpayers are out of work in the province this year than last.

Everyone, including the MPs in Ottawa, who automatically index their salaries, tries to catch up with inflation to overcome the erosion of their buying power; doctors, despite their income, feel they are no exception. The Minister of Health has stated that if the OMA had given its members all the facts about the negotiations, physicians might not be taking part in the rotating walkout, at least not at this time, when the current rate of reimbursement matches the last request by the OMA. We in government feel that the present disagreement could have been resolved without the OMA resorting to extreme measures. The door is open, but the overriding

reality is that we cannot afford to accede to excessive demands if we are to preserve our health-care system.

Many doctors feel that the events of the past week are unfortunate, that such events should not come to pass. The government shares this view. We have to protect the standards we have reached. The goal of the government is to provide to all the citizens of Ontario the optimum quality of health care.

**Mr. Bradley:** Mr. Speaker, I rise to participate in the debate that, last Thursday, all of us hoped would not be necessary, most particularly on the basis of the words of the Minister of Health (Mr. Grossman) or, at least, the message the Minister of Health conveyed to the House that there was an opportunity for a negotiated settlement in this dispute. Without a doubt, all members of this House would be hopeful that is the way this matter could have been resolved.

While I suppose no matter what issues arise there are political considerations by members of all parties, I think when we deal with the health of people in this province most of us tend to push those political considerations into the background and hope that somehow we can find an amicable solution, one which is acceptable to most, particularly to the two parties involved in the negotiating process.

**5:30 p.m.**

It seems to me, as is the case most of the time when negotiations take place, the blame should be shared by both sides in the negotiating process. The Minister of Health makes a case for the position of his ministry and of his negotiators and I am sure he believes that is the appropriate case and a very accurate case. On the other hand, the members of the Ontario Medical Association, particularly their executive and the negotiators, make another case.

One thing that does come through in talking to individual doctors, aside from the negotiators from the OMA, is that they seek a negotiated settlement and would be hopeful of avoiding the kind of confrontation that we see now. The second thing is that whether it is because of the information they have received from their executive or otherwise, they have a distrust of the position put forth by the Minister of Health at the present time and they would be very concerned about the kind of recommendations that we in the opposition have made for terminating any of the actions which they are contemplating next week.

I look also at the fact that special circum-



stances confront the doctors when they make their case. I had an opportunity to interview on cable television the head of a medical association who subsequently asked that the interview be cancelled.

He expressed some very strong points of view but, as we know, many members of the medical profession, although they may be at odds with this particular minister at this particular time, have a political affiliation which is strongly identified with that party opposite. Even within the medical profession, those who wish to express very strong views about that government are reluctant to do so because of the awesome power that government ultimately has in dealing with medical care.

We recognize that doctors work long hours. They have an awesome responsibility over life and death. They must assume costs for benefits and pensions and what we would consider to be fringe benefits in normal employment. They have the overhead of the office and staff and the cost of education and training.

These are all tremendous costs. On the other hand, we have a situation where the people of Ontario cannot simply deal with the medical profession with a blank cheque.

I think members on all sides recognize that. I think the minister said that himself this afternoon. He said it was not simply a case of writing into that cheque exactly what the doctors wanted. Indeed we could probably settle the dispute that way very quickly, but it would not be the responsible thing to do. I think members of the House would concede that is certainly the case.

I also found in discussing with doctors that the problem seems to go beyond the fee schedule. I do not know if in his negotiations the minister got into these kind of conversations. I presume they were confined almost entirely to the fee schedule itself, but many doctors are also concerned about the facilities with which they have to work, such as the equipment they have in the hospitals and the number of beds that are permitted in a hospital.

They are concerned about their working conditions. This is nonmonetary as far as they are concerned but costly as far as the government would be concerned in terms of the grants to the hospital system. They believe that if some of those problems could be overcome it would make their job a little easier, a little more efficient and perhaps allow them to realize many more of the medical miracles for which they have been responsible in the past. That would go a long way to improving the atmo-

sphere in the negotiations between government and the medical profession.

They also look at the efficiency of the payments from OHIP. Recognizing that they are dealing with a lot of claims within a year, it is not an easy process. I am the first to concede that. Many of them complain they are not entirely happy with the efficiency of that process and if that was improved it would have a marked effect on their attitude towards the government.

An example the minister may be aware of—certainly the previous Minister of Labour, the member from York East (Mr. Elgie), would be—is the aggravation caused doctors by payments coming from the Workmen's Compensation Board. If there were an indication from the minister that he was prepared to address some of those peripheral problems in the negotiating process, the doctors might take a rather more positive attitude towards the government.

We recognize there are problems arising even with present sanctions by doctors. I note from newspaper clippings that 85 per cent of Cambridge doctors participating in the Wednesday, April 15, walkout were refusing to renew prescriptions over the phone and to prescribe inexpensive generic drugs for people on government drug plans.

Although many doctors are continuing to authorize telephoned prescriptions, those who are refusing to do so are making it very inconvenient for the ill or elderly by requiring them to visit the office whenever they need to have a prescription renewed; particularly when that office is going to be closed for a couple of days this week and perhaps three days next week.

Those are the kinds of problems which have to be confronted by the minister. One of the reasons we are calling for legislation is to bring about binding arbitration and prevent these things from happening.

Newspaper clippings also show that in Kitchener-Waterloo the walkout on Friday, April 16, closed doctors' offices and forced cancellation of nonemergency surgery at both hospitals. The emergency ward at St. Mary's General Hospital treated double the number of people for a normal Friday. At Kitchener-Waterloo Hospital only three cases went into the operating room that day and all other surgery was cancelled.

The list of similar situations goes on. I could cite many more cases. The problem is going to increase drastically when the doctors carry out their threat on Tuesday and Wednesday of this week. Each of us, regardless of our political



party, will be answering his telephone and trying to explain why people are unable to get the kind of medical care to which they feel entitled and to which they had become accustomed prior to this dispute.

We are happy that we had this kind of co-operation from the medical profession in the past. If the only way we can prevent the situation from deteriorating is to bring in the appropriate legislation, then that is what we are calling for at the present time. There is no other way—

**Mr. Philip:** What legislation?

**Mr. Bradley:** The government says it has its legislation. We have cited examples; for instance, the modified legislation brought in by Quebec. But I am not going to bother with those people to my left, who have the answers to everything and forget that the enemy is over there. That is why they are in third place.

Interjections.

**The Acting Speaker:** The speaker has one minute remaining.

**Mr. Bradley:** With regard to advice, I note that the Deputy Minister of Health is at present receiving some rather good advice, no doubt, from the former president of the medical association, the Minister of Education (Miss Stephenson). I hope she will be able to counsel him on ways to avoid this particular problem.

We are calling for the minister to take decisive action to ensure that the medical profession complies with what we expect of it so that the health situation in this province is not allowed to deteriorate by means of a doctors' strike; and that for this particular instance, at least until we can find a better mechanism, he will place this dispute before a tribunal of some sort for binding arbitration, so that this matter be solved in this way and that the present impasse be overcome.

**Mr. Foulds:** Mr. Speaker, I want to leave time for the minister to reply. However, there are a number of points I would like to make.

First of all, what we have here in Ontario is a genuine emergency. We have a very real potential and apprehended threat to our health care system. What we have here is an enormous discontent on the part of the doctors of this province, and not just the OMA.

What we have here is a government without a clear policy on medicare in this province. What we have is a province that since the late 1960s has never been fully committed to the medicare system of Canada. John Robarts called it a

Machiavellian scheme and said medicare had been foisted on this province. That lack of commitment, that lack of dedication to the medicare system of this province is now coming home to roost on the shoulders of the government.

**5:40 p.m.**

What we have in Ontario today is a health care system that is under attack and the government does not know how to respond. Why are the health and safety of Ontario's patients threatened in 1982? Let us make no bones about it, that is what will happen when we have a province-wide walkout tomorrow and the next day. Why do we have doctors and OMA spokesmen using the language of trade unionists but refusing to accept the responsibility of trade unionists and collective bargaining?

What we have today is a minister who is forced to negotiate with the OMA in public because he cannot negotiate in private. What we have is a minister who is trying to drive a wedge between the OMA and the College of Physicians and Surgeons of Ontario and between the spokesmen for the OMA and the ordinary medical practitioners of this province.

What we have is a minister who has no position, whose position changes from day to day, who comes into the House late and often without a statement when statements should be made on behalf of the ministry.

What do we have coming from the official opposition, the Liberal Party? We have changes in policy from day to day with regard to the amount of funding and changes from hour to hour with regard to what the so-called back-to-work legislation should be.

I want to associate myself entirely with the three-point program outlined by my colleague the member for Bellwoods (Mr. McClellan), which is clear and unequivocal about the way we would see this current problem solved, and I want to associate myself entirely with the comments of my colleague the member for Riverdale (Mr. Renwick), who outlined clearly and precisely the minister's responsibility.

It is very simple for the member for St. George (Ms. Fish) to rhetorically attack the OMA, the Ontario Hospital Association and the College of Physicians and Surgeons, but that does not help the patients of this province and it does not get to the crux of the matter, which is what the minister should do to prevent a potential tragedy in this province.

What we have here is a breakdown in trust, for in his statement to the Legislature today the



minister is clearly saying he can no longer trust the negotiators for the OMA, and in the statements issued yesterday by the OMA it is saying clearly and unequivocally that it can no longer trust the minister.

There is a very simple message that we in the New Democratic Party would like to give on health care: we want fairness in the system for the patients, for all health care employees, for taxpayers and for doctors.

A year or so ago we faced job action by another group of workers in the health care system, the hospital workers. They earned, on average, \$13,300 a year. Their job action was made illegal by the Conservative government and as a result of their work stoppage the following punishment was exacted: 3,440 workers were suspended, 5,582 received disciplinary letters in their files, 36 were fired, 22 were charged with various offences by the Attorney General (Mr. McMurtry) and the three leaders got jail terms.

By June 1982, the same hospital workers will be earning, on average, \$16,000 a year.

I want to say directly to the minister again, as I said this afternoon, do we have to wait for someone to die? Do we have to wait for a tragedy in this province before he feels he can take preventive action on behalf of the patients of Ontario? Because we say, if he says that, it is simply not good enough. It is an evasion of his ministerial responsibility, a sloughing off of his ministerial responsibility to other bodies. When the buck stops, I say to the minister, it stops with him.

I ask the minister directly and sincerely, will he not consider the suggestions made time and time again in the House by my colleague the member for Bellwoods? Will he not consider the arbitration panel as devised and suggested by Mr. Justice Emmett Hall? Will he not put on the bargaining table, to give himself a lever, an end to extra billing? Will he not ensure that the necessary changes to the Health Disciplines Act will make it clear that a concerted withdrawal of services is professional misconduct and subject to disciplinary action?

**Hon. Mr. Grossman:** Mr. Speaker, I have listened with interest to the debate this afternoon, because of the importance of the subject matter. I have genuinely listened to the points raised across the floor, and there were some valid points made on all sides of the House this afternoon. They reflect the difficult position one finds oneself in when one is trying to arrive at what everyone in this House has acknowledged

they want; that is, a negotiated settlement between the parties. That is not easily arrived at, and it is not easily arrived at because of many pressures. Members have seen here this afternoon that, had I adopted some of the strategies advocated by one party opposite, then the other party opposite would have been accusing me of doing something they had suggested I not do. One really is in a very difficult position here.

I must say right off the top that I reject any argument that we are trying to drive a wedge between anyone. What we are doing is enforcing all the legislation this Legislature has equipped us to use and to have; the College of Physicians and Surgeons of Ontario has undertaken to act as called upon and is acting as it has been called upon to do; the hospital association has confirmed in their newsletter today that they are living up to their responsibilities and have made them quite clear to their member hospitals; the physicians, even the OMA, which has been very careful to take appropriate standby actions when it has withdrawn services.

I do not condone the withdrawal of those services, but when one looks at the responsibilities we have under our legislation, at those of the hospitals have under their legislation, and at those of the College of Physicians and Surgeons under its legislation, I say very carefully and advisedly that to date they have lived up to their obligations.

I want to say to the Leader of the Opposition (Mr. Peterson) that I was rather disappointed and surprised to hear him suggest it was not up to him or his party to give an answer as to what would be an appropriate price. To use his own words, "It would be superficial or only politically expedient for me or anyone else to jump and say that is enough, that is too much, or that is the right amount." I can only conclude from that he is saying at least three members of his party have been politically expedient and superficial, because that is precisely what they have done.

I must say too I am surprised that the Leader of the Opposition—

**Mr. Peterson:** You give us your job and we'll solve it. You know it's the same cheap tricks. It's no wonder the doctors don't like you, because you use the same sleazy techniques.

**Hon. Mr. Grossman:** The Leader of the Opposition spent a great deal of his time making quite personal accusations about me as Minister of Health, and he has to be prepared to sit in this House and take it just as well as he tries to give it.



**Mr. Peterson:** There's no question about your incompetence in this negotiation. It's at issue.

**Hon. Mr. Grossman:** The Leader of the Opposition talks about the way I treat the opposition. He knows very well that I informed him before I came into this House last Thursday and that I called him over the weekend so he would be fully apprised of the situation at all times. That is the kind of openness through which I deal with all parties when I am involved in negotiations, and the honesty and reliability I have placed upon people I deal with.

5:50 p.m.

I was particularly interested to hear the Leader of the Opposition say that he could not possibly say what the right number is. He said: "I am not party to the macroeconomic projections of this province for the next three years. I do not know what revenues will be."

He was Treasury critic for three or four years. He succeeded Marvin Shore in that job. I am sure he has had the opportunity to read some of the budget papers that both the federal and provincial governments have been bringing out. I think it is quite a personal indictment of the Leader of the Opposition for him to admit he has no idea of the degree of government affordability in this area. He has no idea whatsoever by his own admission.

With regard to the Health critic for the Liberal Party, not to use the time that I want to use this afternoon on this matter, I invite her to raise this question in question period tomorrow because, if she does, she will be rising on very many points of personal privilege. It will suffice to say that with regard to the Ottawa General Hospital, the letter she referred to was written the day before my telex went out. It was not in response to my telex. It was handed to her the day after they wrote it, obviously before I received it, and there is a meeting tonight of the hospital to find ways in which to answer my telex. They have undertaken to respond fully to their obligations under the Public Hospitals Act and the telex I sent them. So that situation is totally and completely handled. The response is absolutely there.

**Ms. Copps:** It is six days old and you don't even know whether—

**Hon. Mr. Grossman:** They wrote the letter before I sent the telex. The member for Hamilton Centre (Ms. Copps), should try and listen.

The debate this afternoon has been quite useful to me as I try to guide this process through the next few days. There is no question

but that the responsibilities that lie on every part of the health care delivery system are going to be intensified. The college is going to have to increase its level of activity. There is no question about that. Each individual hospital board is going to have to respond to my telex and concentrate on its responsibilities under the legislation. Indeed, each physician is going to have to—

**Mr. McClellan:** Do you mean they haven't responded?

**Mr. Foulds:** You expected to have the information last Friday.

**Hon. Mr. Grossman:** I listened quietly to the members' speeches.

Each physician is going to have to listen and watch carefully with regard to his responsibility as to what is or what is not professional misconduct under the Health Disciplines Act and the regulations thereto.

I must say the proposition that surrounds this House, and the problem that has been talked about here vaguely in passing, is the problem of back-to-work legislation. We all know that is a very difficult piece of legislation to draft, though probably not impossible. They are independent professionals, and one has to wonder exactly what effect it will have when one brings in legislation forcing professionals to see people whom apparently, as the proposition would have it, they are unwilling to see or treat.

I would find that to be a very serious situation if we found physicians who were unwilling to treat patients who needed to be treated. As I read the OMA's assurances to date, and the assurances I have heard from various physicians throughout this province, they are going to treat those patients who need to be treated.

Neither do I underestimate, however, the longer-term problem if this goes on, because there are cases, and some have been raised in this House, which present hardship upon people and cases in which that hardship, in my opinion, will warrant consideration by the College of Physicians and Surgeons. I intend for those cases to be drawn to the attention of the college and dealt with by the college. If that procedure is not working, then ultimately we will have to look at various other mechanisms that are in place in this province.

When we do that, and as I pointed out it is my obligation to enforce and to oversee in this province, then members opposite, such as the acting leader of the third party, will accuse me of setting brother against brother or doctor

against doctor. But, of course, I am not doing that. What I am doing is relying upon the legislative procedures put in place whereby doctors have undertaken a certain responsibility in order to maintain the principle of self-discipline. I believe they will live up to their responsibilities.

As we look over the events of the next few days, we will be monitoring the situation very intensely. It is obviously a temptation to a Minister of Health to bring in back-to-work legislation, however it might be drafted. It is obviously a temptation for me to serve notice on the college with regard to various regulations they might bring in. It is obviously a temptation to me to communicate directly with the members of the OMA, which is what people in this House have accused me of doing, even though I have been very careful not to do that.

The point I am making is that in each and every case there is a great temptation to use a number of mechanisms available to me. Ultimately, however, I read this House as wanting me to achieve a negotiated agreement. There has not been a speaker today who has disagreed with that goal. There have been a lot of people saying, "Oh well, just go and do it," and, "You've let us down because you have not been able to do it."

The point is that to achieve a negotiated agreement requires a great deal of careful consideration, a resistance to use some levers that might be available at one stage, but which one might have to use at another stage. To use any of those prematurely would make it impossible to reach a negotiated settlement. Yet to use them at a point which would be too late would equally be a tragedy.

That is an onerous responsibility which I accepted when I took the oath of office as Minister of Health. I have to discharge that to the best of my ability.

I have responsibilities vested in me which obviously are dependent in large measure on those who work in the health care system, in the hospitals, in the college and in each and every medical office throughout this province. None the less, we are monitoring the situation and we are exercising our responsibilities carefully and with as much consideration as we can.

In closing, it is easy to suggest all sorts of comfortable solutions. Ultimately, I know all members of this House share with me the desire that (a) we can get a negotiated agreement, and (b) that serious wounds not be opened up as a result of this that will hamper the health care system over the years to come. That is what I am trying to accomplish.

Finally, I must say to the House that if we are unable to do this in the next short period, there is no question that we shall have to face up to the reality that wounds have been opened which must be stopped, and certain activities will then have to be considered by us which we have been reluctant to consider because we have been hopeful we can get a negotiated settlement.

That is what this House wants, that is what this government wants and that is what this minister is trying to achieve.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, perhaps I could indicate to the House the order of business for tomorrow.

Since we did not deal with legislation that was on the paper today because of this debate, we shall begin with Bill 38, An Act to establish the Ministry of Industry and Trade, followed by Bill 41 and then, if time permits, committee of the whole House on Bill 6. Then there is the list we announced previously: Bills 9, 12, 13, 15, 28, 14 and 11.

The House adjourned at 5:59 p.m.



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Ontario LEGISLATIVE ASSEMBLY

No. 34

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, April 27, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, April 27, 1982

The House met at 2 p.m.

Prayers.

## SASKATCHEWAN ELECTION RESULT

**Hon. Mr. Gregory:** Mr. Speaker, I rise on a point of privilege to pay tribute to Premier-elect Grant Devine for his stunning victory in Saskatchewan last evening. As you know, the Progressive Conservative Party won 57 seats to seven for the New Democratic Party, with 54 per cent of the popular vote.

I would like to pay tribute to Allan Blakeney for his long service as Premier of Saskatchewan and for his work on the constitutional issue. I hope the House will join me in offering sincere congratulations to Premier Devine and his wife, Chantal, and to the 56 Progressive Conservatives who were elected last evening.

**Mr. Nixon:** The whole thing is out of order.

**Mr. Peterson:** I am not sure whether that statement was in order. Was it, Mr. Speaker? It just shows that the established interests in this country are under very major assault today. The members opposite should take no heart from it; as a matter of fact, they should fear for the future.

Interjections.

**Mr. Speaker:** Order. Oral questions.

**Mr. Peterson:** Just one more small point: If after 11 years they fall like that, imagine how they are going to fall after 38 or 40.

**Mr. Nixon:** You are sick already. You are menopausal.

**Hon. Mr. Davis:** It takes one to know one.

**Mr. Nixon:** I went through that a long time ago, and so did you.

**Mr. Speaker:** Time is moving on.

**Mr. Peterson:** Mr. Speaker, perhaps you would be good enough to inform me whether the Minister of Health (Mr. Grossman) will be here today.

**Mr. Nixon:** He is just writing a statement right now, the very latest information.

**An hon. member:** Here he is.

**Mr. Nixon:** Get the cameras going.

**Mr. Bradley:** Let's hear some applause.

[Applause]

**Mr. Peterson:** It is curious, Mr. Speaker—just while we are wasting time and allowing him to get his breath—how happy they are about the Saskatchewan situation when they did not celebrate their own first anniversary in power the same way on March 19, 1982.

**Mr. Nixon:** They were embarrassed: not a promise kept.

## ORAL QUESTIONS

### PHYSICIANS' SERVICES

**Mr. Peterson:** Mr. Speaker, I would like to ask the Minister of Health a question about the walkouts today. I wonder whether he has any up-to-date reports on the number of cases of elective surgery that have been cancelled or postponed in this province, the number of committee meetings that have not been attended because of the walkouts, the number of charts that have not been signed and the backlog in terms of surgery in the 233 public hospitals in this province?

**Hon. Mr. Grossman:** Mr. Speaker, I do not have those figures with me.

**Mr. Peterson:** We have been requesting information on this situation, as the minister is very well aware. We, on this side of the House, have been very much questioning the information-gathering apparatus he has at his disposal with respect to the difficulties in the system today.

Is the minister aware, for example, that 338 operations were postponed or cancelled in the Peel Memorial Hospital in the light of the last walkout? Is he aware that 32 operations were cancelled in the Kitchener-Waterloo Hospital today and that 27 operations will be cancelled tomorrow? What is his information about the effect on the deterioration of health care as a result of this massive postponement of elective surgery right across the province?

**Hon. Mr. Grossman:** If the Leader of the Opposition is putting the proposition that he expects me to know how many operations have been cancelled at present in each of the 250 hospitals in Ontario, then he should simply call my office and say, "Would you mind bringing to



question period those details for the 250 hospitals in Ontario?"

**Mr. Peterson:** Check your briefing book. It may be in there.

**Hon. Mr. Grossman:** The Leader of the Opposition should not be trite. He knows that when he stands up and asks what the numbers are in the Kitchener-Waterloo Hospital, there is no way that I would have that information here. In fact, it would be pointless of me to have my staff prepare that amount of detail for every hospital. If I had that information, the next question the Leader of the Opposition would ask me would be, "Can you give us the details of the surgery that was cancelled? Or does the minister know that Mr. So-and-So had such and such surgery cancelled at the Peel Memorial Hospital and what does he intend to do about it?"

I can say that I have some very capable people in my ministry who are spending 14 and 15 hours a day working with the hospitals to make sure that those operations are rescheduled and that no one's health care is threatened as a result of the job action. They are working with the College of Physicians and Surgeons of Ontario to make sure that all of the mechanisms in place are being used. That, it seems to me, is a far more productive exercise than having my staff make sure that I walk in here every day with an up-to-the-minute count of the cancellations in the Kitchener-Waterloo Hospital.

My concern is that I have staff who are spending all of their time making sure the numbers the member is giving us are being dealt with, finding out whether they are being rescheduled for tomorrow, next week or were done yesterday; and finally, if in any of those circumstances there is any indication that there is any misconduct or unprofessional conduct, that those cases are taken up with the College of Physicians and Surgeons. That is precisely what our obligation ought to be, and we are discharging that fully.

**Mr. Foulds:** Mr. Speaker, can the minister assure us that his ministry does have an up-to-date count of the scheduled operations being postponed or cancelled? Can he assure us that each one of those will be investigated to see whether there was medical misconduct?

We were able to contact 12 hospitals, eight in Metropolitan Toronto and four outside Metro, in Sudbury, Ottawa, Windsor and London, and by our count something like 377 operations in those 12 hospitals are not going forward today

that otherwise would have gone ahead. Does he not think that is a serious enough situation that he should have taken preventive action to ensure that it did not happen?

**Hon. Mr. Grossman:** Mr. Speaker, since we have been over the latter part of that question many times in question period I will not deal with that again today.

In terms of the hospitals the member has contacted, he has a total of 377; and I wonder whether he asked how many of those operations were done the previous day or yesterday instead of today or how many have been scheduled for Thursday and Friday of this week. Because, as we study the case histories of what has happened over the first two or three weeks of the job action, it is quite apparent that a great number of those elective procedures were simply rescheduled for later the following day.

That is, by and large, the case. There are some exceptions. It is obviously those exceptions that cause us some concern, because if someone has had an elective case cancelled for three or four months that is a lot different from a situation where someone has had an elective case cancelled for 24 hours or done 24 hours earlier.

**2:10 p.m.**

We are asking the hospitals to provide us with complete details of the cancelled surgery and a complete profile of the case history involved in each of those cases. When that process is in place and all the information is complete, appropriate action will be taken.

I emphasize this: to state that 377 cases in the hospitals the member contacted have been cancelled does not give a full picture. The fact is that out of those 377, and I do not suggest this is a result of my going through the 377, I would expect a majority of those cases have been postponed or moved up within a matter of days.

**Mr. Peterson:** Will the minister agree that he does not have the devices available to gather this information and that he does not know the extent of the crisis? Let me give an example. He ordered up a report on the effects of cancelled surgery at the Hospital for Sick Children from some three weeks ago. To the best of my knowledge, he still does not have a report or has not brought that back to the House.

The reality is that the mechanisms the minister has put in place are not operating and he does not know the extent of the crisis. Given that and the evidence that we in this party are receiving, albeit on an ad hoc basis, does he not

feel it is time to bring in back-to-work legislation? We will co-operate with the minister in that regard to make sure he has that weapon available to him to prevent a serious tragedy which we would all regret.

**Hon. Mr. Grossman:** In point of fact, we have that information from the Hospital for Sick Children. It was supplied rather swiftly. It was available to the College of Physicians and Surgeons immediately upon its request, and I would be pleased to make that available to the Leader of the Opposition. We have had the letter for about a week.

**Mr. Peterson:** As of this morning it was not received.

**Hon. Mr. Grossman:** The College of Physicians and Surgeons had immediate co-operation from the Hospital for Sick Children upon my request for a full and complete examination of what happened there. That information is in our hands, has been for some time and we are dealing with it.

I sat through all of the debate yesterday and I listened carefully to the remarks of the Liberal Party. That party still did not spell out what it meant by back-to-work legislation, although I understand the popularity of what the member is trying to say.

I will say this for the third party: I disagree with the procedures outlined by the member for Bellwoods (Mr. McClellan), but at least he outlined a sensible mechanism whereby that would be done if it were the desire of this assembly to do it. It is not the desire of this government to follow that route.

The Leader of the Opposition is blindly advocating something called back-to-work legislation and he quite frankly does not know what it means. If he listened at all to the remarks being made on this side of the House, he would understand that the continuation of work and the continuation of care mechanisms are already in place in the current legislation. If that legislation is enforced, we will have effective continuation of care, making back-to-work legislation, however the Leader of the Opposition might enact it, unnecessary.

As we watch developments over the next couple of weeks, we will have to see how effective that is. At present, it appears that almost every physician in this province is making sure there is a continuation of care and that they are meeting their obligations to the citizens of this province. We will monitor that closely

and, if that situation changes, we will report back to the House and act accordingly.

## MANAGEMENT BOARD PLANNING DECISION

**Mr. Peterson:** Mr. Speaker, I have a question for the Chairman of Management Board of Cabinet. The minister is aware of the decision of the Ontario Municipal Board, which ruled that no expansion be allowed at two malls in London. He is also aware that his cabinet reversed this decision last week. Can he explain to this House why he reversed that decision? Was it because of the ministrations of the Minister of Industry and Trade (Mr. Walker), the representative from that area, who I guess one could say "was the chief architect of that decision"? Can the minister explain why the chief architect's proposals are more important to him than nine weeks' work of very expensive OMB hearings?

**Hon. Mr. McCague:** Mr. Speaker, obviously the Leader of the Opposition has before him the decision, which gives some reasons. I do not have that decision with me today. However, the honourable member will understand that the Minister of Industry and Trade, who is a member for a London riding, is a member of cabinet. We value his advice, and he had some input into what was decided. We understand the employment that will result not only from the building of these plazas but also from the manpower required later will be very welcome in London. We think it is a good decision.

**Mr. Peterson:** Does the minister realize that it runs contrary to the government's own policies? I refer to the June 12 directive from the Ministry of Municipal Affairs and Housing which says it will not approve new malls where there is evidence that a peripheral mall will have an adverse impact on the downtown core.

Is he also aware that the OMB concluded there would be an adverse impact on the downtown business core? They said it is clear that there is a policy of the government that the central business districts of municipalities such as London should be kept viable and protected as much as possible from deterioration, by appropriate planning techniques, and that the board in its decisions should not approve of retail developments that threaten the dominance of the central business district.

The OMB said direct evidence before the board indicated that the combined effect of the approval of the White Oaks and the Westmount expansion together could adversely affect the central business district. What does the minister



know that they do not know, and why is he making a sham of the OMB process?

**Hon. Mr. McCague:** We know there was an endorsement by council and we know it is a good plan.

**Mr. Roy:** Mr. Speaker, why does the minister not do away with the OMB and the charade of going through, in this case, a nine-week hearing, if on the first opportunity in cabinet he is prepared to bend and listen more closely to his Tory colleagues than to the judicial process or the rule of law? What is the purpose of the whole process? Why does he not do away with it, quit the sham and save everybody some money, rather than laying it out in the way he is doing it? It seems that friends are more important to him than the judicial system.

**Hon. Mr. McCague:** We would not want to do away with OMB hearings because the honourable member might become unemployed. The OMB does a good job but there is always an appeal to cabinet, its 26 members have the right to change a decision if they see fit. There are several people on the other side of the House who have come to me on many occasions when they thought the OMB was incorrect. Be consistent.

#### PHYSICIANS' SERVICES

**Mr. Foulds:** Mr. Speaker, I have a new question for the Minister of Health. Can the minister explain what the public can expect to obtain from the current set of negotiations between the provincial government and the Ontario Medical Association? For example, why does the minister and the government continue to refuse to put on the table, on behalf of the people of Ontario, an end to extra billing?

**Hon. Mr. Grossman:** Mr. Speaker, the health care system as it is structured in this province is one that this government takes great pride in. At present, my goal is to arrive at a negotiated agreement with the physicians of this province.  
2:20 p.m.

I think, though the honourable member will disagree, that it is very important to maintain for the profession the right to opt out. I believe, as the former government of Saskatchewan believed, that opting out on some basis is very important to the profession.

**Mr. Foulds:** They lost; remember?

**Hon. Mr. Grossman:** I can tell the member the new one will not opt them in.

Quite seriously, in accordance with all of the

things we have been doing throughout this difficult period, I believe that protecting the professionalism of the profession is important. Respecting their position in society and the fact that they are not employees of government—although some members think they should be—is important. Therefore, I want to maintain a position where I can protect their right to opt out, rather than take it away.

I regret that the problems we are currently facing may undermine my ability to argue on behalf of the Ontario system when the federal minister proposes that we end opting out throughout the country and have all doctors opted in, as I fear she might next month. That would be unfortunate. It would be another in a series of steps that has brought doctors to the point of frustration at which they find themselves today, causing some of this job action.

The member and I will disagree but, in spite of the difficulties I am having with the profession and in spite of the extreme words the profession has used about this government and against me in the past few days, I respect its members' right to opt out, I respect their professionalism and I am prepared to fight for their right to opt out, rather than to take it away. My main fear is that the current trauma on the system will undermine my ability to fight and protect that opt-out right when I go to meet my counterpart in Ottawa at the end of May.

**Mr. Foulds:** In the minister's statement yesterday he made it very clear that he considered the government offer a very rich offer. I think \$26,000 over two years was the figure used. Having spent that money on the average doctor in Ontario on behalf of the taxpayers and the patients of the province, does the minister not think it is a little bit much that those who do not think the additional \$26,000 is enough—and 15 per cent of them have already opted out or extra billed—will continue to have that right after this very rich agreement? Is that fair to the taxpayers and patients of Ontario? The minister wants to have his cake and eat it too.

**Hon. Mr. Grossman:** The patients of the province have the opportunity to select opted-in physicians.

**Mr. Foulds:** Not everywhere. Not unless they can come to Toronto—and pay for the transportation costs.

**Hon. Mr. Grossman:** In response to that supplementary question, the Ontario Medical Association has to date lived up to its agreement with this government to ensure that where



opted-in services are not available, it will arrange that opted-in rates are available and that any patient of this province who cannot obtain opted-in services will be provided services at opted-in rates and therefore will be fully remunerated, in accordance with the agreement worked out with us.

Notwithstanding the difficulties I have had over the past few weeks, I still believe the OMA means what it says. To date it has lived up to that agreement. If the member will forward to us any example where any citizen has been unable to obtain the services of an opted-in physician, we will look after it. We will forward it to the OMA and I am confident it will meet its obligations as promised to my predecessor a year and a half ago. Forward that information to us and we will see whether the member's general statement is accurate. I think it is inaccurate.

**Mr. Bradley:** Mr. Speaker, will the minister inform the House whether his government, specifically his ministry, has taken any polls on the subject of opting in or opting out, or whether indeed it has taken any polls on any of the other subjects involved in the questions the minister has been asked in the Legislature today?

If the government has taken these polls, is the minister prepared to immediately share the results with the House?

**Mr. Roy:** Let's see your polls.

**Hon. Mr. Grossman:** I have the answer to any question the member for Ottawa East (Mr. Roy) might ask in my briefing book, but I only bring it Tuesdays and Thursdays.

**Mr. Roy:** You have lots of material there.

**Hon. Mr. Grossman:** The answer is no, my ministry has not been conducting public opinion polls or polled the public view on these topics during the course of the last few weeks.

**Mr. Foulds:** Can the minister justify to this House not only the substantial increases he has offered to the medical profession in the province but also the right to charge extra on top of that in subsequent years? How does he justify that to the taxpayers of Ontario?

**Hon. Mr. Grossman:** First, I have already indicated, and there is no point in taking more time of the House, why this government believes the option of opting out is important to maintain the system.

**Mr. Foulds:** Why do they bill the patients extra?

**Mr. Speaker:** Order.

**Hon. Mr. Grossman:** This government has concluded, like the former government of Saskatchewan, that having that option available to the physicians of this province is important to maintain. The system in Saskatchewan, by the way, as I recall it, called for patient-streaming instead of practice-streaming, which allowed a physician to say in his or her office, "I think you will be an opted-out patient and you will be an opted-in patient."

I must say I find that less tolerable than the kind of situation we have here, where the patient knows before he or she goes to a physician that he or she is going to an opted-in physician or an opted-out physician and can ascertain exactly what the amount of extra billing may or may not be. I think our situation is far more equitable and tolerable than the situation that was extant in Saskatchewan.

The member asked how I could justify the offer that is currently made to the physicians. I say to the member, because I know he is an advocate of things involving labour negotiations and sometimes compulsory arbitration—he spoke of compulsory arbitration in terms of this dispute—that it was not compulsory arbitration. Professor Weiler, a respected Harvard professor, was recommended by the OMA and agreed to by the government as a result of a very extensive analysis. He made a recommendation calling for 11 per cent protection against inflation plus a 3.25 per cent special adjustment on account of some economic adjustment owing to the early 1970s.

It is upon that basis and within that framework that this government feels it is justified in making the offer that is currently in front of the profession for acceptance. It is built upon and is consistent with the Weiler framework. As one party who entered into that agreement to use the fact-finding process and having agreed to accept Professor Weiler as the fact-finder, I feel I should take some guidance from the report that Professor Weiler brought down. That is what this government has done.

It was free to us to reject it entirely; and, indeed, the OMA not only has rejected it but also has even rejected the methodology, even though it is the same methodology he used last year; and they recommended he be used this year. None the less, I must say that I feel comfortable in terms of the government's position and its outstanding offer, because it fits the general framework of what Professor Weiler concluded after hearing extensively from both the OMA and the government over two years.



Professor Weiler showed due regard for the problems of the physicians of this province and the concerns of the taxpayers. I think that is an excellent justification for the government's position.

#### EMPLOYEE HEALTH AND SAFETY

**Mr. Foulds:** Mr. Speaker, I had a question for the Attorney General (Mr. McMurtry) but he seems not to be in the precincts. Therefore, I will go back to my old friend the Minister of Labour with a different question.

Can the Minister of Labour explain why his predecessor refused to supply Colin Lambert of the Canadian Union of Public Employees with four consultants' reports on the occupational health implications of the use of formaldehyde, diesel emissions, acrylonitrile and benzene in Ontario?

Is the minister aware that his predecessor's response was that the reports were currently under review and would not be released until the completion of the review? How can he expect bodies such as the health boards, the unions and management to review his exposure criteria without the proper background information?

**Hon. Mr. Ramsay:** Mr. Speaker, in response to my aged friend from the other side of the House, I am not aware of the circumstances that he is describing to me today.

2:30 p.m.

**Mr. Foulds:** Given the fact that his ministry acknowledges that there are 60,000 chemicals in commercial use, with up to 1,000 new chemicals every year, does the minister not feel he has some responsibility to ensure that the review he is carrying out for this booklet, for these proposed standards, should be carried out in an atmosphere of trust and knowledge?

How can he expect that review to take place if he is unwilling to give those reviewing it, such as the Toronto board of health, the background documents? Why does his ministry refuse to give a union like CUPE the background documents so they can comment fully and knowledgeably on the standards he is proposing?

**Hon. Mr. Ramsay:** Mr. Speaker, I have complete confidence in the wisdom, integrity and credibility of my predecessor, the current Minister of Consumer and Commercial Relations (Mr. Elgie). In fact, I learned a great deal about that wisdom in the short period of time during which I served as his parliamentary assistant. As

a result, I am not about to jump to any conclusions concerning the reasons that information was not released. I would much prefer to look into it and make my own conclusions after I have all the facts.

**Mr. Martel:** Mr. Speaker, the Toronto Department of Public Health says, in its report based on the criteria being established, "In the report we have noted a number of important deficiencies and limitations which, in our opinion, undermine the usefulness of both the document and the criteria themselves, including the absence of any clear reference to substances considered by the ministry to be carcinogenic, despite the fact that a number have either been or are suspected to be carcinogenic." In view of this, what steps has the minister taken to address these very serious charges placed in the document prepared by the Toronto board?

**Hon. Mr. Ramsay:** Mr. Speaker, although I just indicated my respect for the former Minister of Labour that does not mean I am not going to investigate the matter brought to my attention today, that I am not going to draw my own assumptions, make my own announcements and come to my own conclusions. Once I have done so, I will take the appropriate action.

#### FAMILY BENEFITS

**Mr. Speaker:** The Minister of Community and Social Services has the the answers to two previously asked questions.

**Hon. Mr. Drea:** On April 19, the member for Scarborough West (Mr. R. F. Johnston) alleged: "There are approximately 3,000 applications for family benefits in Metropolitan Toronto, some as old as eight months. They are sitting at 2195 Yonge Street waiting for file numbers to be assigned." Mr. Speaker, there are not 3,000; the total, going back to include even part of January, is 1,600.

Interjections.

**Hon. Mr. Drea:** Wipe the smirk off, Albert. You won't like the rest.

There are none as old as eight months. Every one of the applications there has a file number on it; they have gone through the processing—other than the ones that were received today.

In addition to that, there are not, as the honourable member alleged, "four case loads or approximately 1,200 to 1,400 recipients who are not being covered at this point." There is a vacancy for one field worker. The competition and the selection of that person are under way.

## CHILDREN'S MENTAL HEALTH SERVICES

**Hon. Mr. Drea:** On April 8 the same member said in the House that there are "150 children waiting for care for neuropsychology" at the regional children's centre in Windsor. That is categorically untrue. There are 150 children waiting for neuropsychological assessment, not care. The majority of these assessments are carried out on behalf of school boards; subsequent treatment programs are carried out within the educational system, not within the Windsor Western Hospital regional children's centre. The cause for this waiting list is that the local school boards do not have their own psychological testing system.

In February, 45 children, referred predominantly by family doctors, were waiting for psychological assessment. Treatment will be largely carried out by other agencies. There are 41 people waiting for social work assessment and once the assessments are carried out they will be referred to other agencies for treatment plans or short-term counselling.

There are five families waiting for out-patient parent group counselling from the centre's psychology department. This occurs because the treatment plan is carried out on a 12-week cycle and the families are waiting for the next cycle because one has already commenced.

There are 11 pre-adolescent children waiting for multidisciplinary in-patient treatment. They are being monitored on an out-patient basis and if anything develops, appropriate intervention will be provided by the centre.

The waiting list results in part from the centre's discharge planning process which is geared to the educational system. The children are scheduled to go back home at natural breaks such as Christmas, Easter, and so forth, and the next break is the start of the school year, in September.

Four adolescent boys are also waiting for multidisciplinary in-patient treatment. The waiting period is three months. It is partly the result of internal staffing difficulties at the centre.

In addition, the member for Windsor-Riverside (Mr. Cooke) asked about a particular three-year old child. Could I answer that one?

**Mr. Speaker:** For the moment we had better carry on with question period and we will get back to the minister's answer later.

**Mr. R. F. Johnston:** Mr. Speaker, on a point of order, the third matter he wishes to raise was

tied in with my second question, and the member for Windsor-Riverside would like to hear it in context of this answer, if possible.

**Mr. Speaker:** We will get back to it later. I will recognize the member for Hamilton Centre.

**Mr. R. F. Johnston:** Let me ask my supplementary then, as far as he has gone on that section.

The information we received was from the centre. It was, whether he shakes his head or not. I cannot help it if we are receiving two different stories on that. Inasmuch as the information we received was from the centre, and I presume the Minister of Community and Social Services' information was from the centre, does the minister deny that the waiting lists are substantial; that there are people who have been waiting for service for six months or up to 12 months, in some cases, in Windsor?

**Hon. Mr. Drea:** No, sir.

**Mr. R. F. Johnston:** No? Does the minister deny that? That is the allegation, not from us, but from people in the centre who are having to make those placements.

**Hon. Mr. Drea:** In view of the fact that at the centre the top two people say they have never had any requests for information from the member for Scarborough West or his colleague—

**Mr. R. F. Johnston:** The admissions office.

**Hon. Mr. Drea:** I do not know where he got it.

**Mr. R. F. Johnston:** The admissions office.

**Hon. Mr. Drea:** I asked them if they gave it to the honourable members and they said, "We have never heard from them."

Mr. Speaker, I have gone to great lengths in this statement to deal with virtually every type of child who is on a waiting list. I deny—

**Mr. Eakins:** Such a warm heart, Frank.

**Hon. Mr. Drea:** I do have a very warm heart.  
Interjection

**Hon. Mr. Drea:** If I was as handsome as I was 15 years ago, I would.

Mr. Speaker, the question the honourable member addressed was he specifically charged that 150 children were waiting for neuropsychological care at that centre. I have demonstrated in this statement they are not.

The case of the three-year old child—in fairness, I know you have made a ruling, but the honourable member has waited a long time for the answer.

**Mr. Speaker:** I would rather come back to that. Question period is moving on. I recognize the member for Hamilton Centre.



**Mr. Foulds:** On a point of order, Mr. Speaker: Would you not agree that answer was of such a length that it amounted to a statement and that the period of time should be added to question period?

**Mr. Speaker:** No, I would not, because obviously the members want to extend that answer even as long as it was.

The member for Hamilton Centre with a new question.

**2:40 p.m.**

**Mr. Foulds:** If the answer was so long it took up more than a substantial amount of question period, it should have been considered a ministerial statement.

**Mr. Speaker:** That is not a point of order, with all respect. I just said we would come back to that because of the lateness. Now, the member for Hamilton Centre with a new question.

#### PHYSICIANS' SERVICES

**Ms. Copps:** Mr. Speaker, in the meantime, I think the Minister of Health has slipped out to accept one of his other phone calls. I suppose he is in the midst of imminent negotiations and that is why he cannot stay in the House.

**Mr. Nixon:** Here he comes.

**Mr. Bradley:** Here he comes. I see the door opening.

**Mr. Breithaupt:** The door opened and no one came in so Larry is here.

**Ms. Copps:** Frankly, I find the absence of the minister somewhat disturbing in view of the fact we have been trying to get down to the facts in this health issue for some weeks and the minister has chosen to absent himself on a number of occasions. Perhaps he is ducking his responsibilities in the House.

**Mr. Speaker:** And now to the question.

**Ms. Copps:** I will have to direct my question to the Provincial Secretary for Social Development in the hope she may express her concern to the minister. I am sure she is extremely concerned.

Mr. Speaker, on April Fool's Day, the Minister of Health promised the House that he and the College of Physicians and Surgeons of Ontario would monitor very closely the situation affecting the health of the people of this province. Yet, as of this morning, the college had not received, compiled or reported to the minister on cases of cancelled surgery affecting children, which the minister had ordered nearly three weeks ago. Likewise, despite the fact the

doctors' boycott of medical advisory committees across the province has generally been effective, hospitals have not reported this or any other breach of their regulations—

**Mr. Speaker:** I am waiting patiently for the question.

**Ms. Copps:** —to the college, as of this morning. Can the Provincial Secretary for Social Development explain to us why the government seems to have lost its handle, not only on the situation of the walkout across the province but also on the role of the College of Physicians and Surgeons?

**Hon. Mrs. Birch:** Mr. Speaker, I have to say to the honourable member that I think the government is handling this whole situation extremely well and that we have the support of the citizens of this province. They are well aware the Minister of Health is very concerned and is dealing with this situation in the way it should be dealt with, which is responsibly.

**Ms. Copps:** I wonder whether the Provincial Secretary for Social Development—or the Minister of Health, who is present—might tell us whether she agrees with the statement made by her colleague, the member for St. George (Ms. Fish), in the Legislature yesterday when she said, according to Instant Hansard: "Neither the council nor any member of the medical association can have it both ways. One is either a member of a self-governing profession, operating through a College of Physicians and Surgeons, with a council, establishing and maintaining your standard of service, or one is a member of an association that perhaps merits reconsideration for certification under the Ontario Labour Relations Board." That is a statement from one of the members of her own party and I wonder whether she would agree or disagree with it.

**Hon. Mrs. Birch:** Mr. Speaker, I suggest to the honourable member that, perhaps unlike members on that side, our members are free to express their own opinions. Perhaps the minister might like to direct that question to the Minister of Health.

**Ms. Copps:** On a point of order, Mr. Speaker: I think the record will show that question was redirected.

**Mr. Speaker:** Was it redirected? I did not hear that; the Minister of Health.

**Hon. Mr. Grossman:** The fact of the matter is the College of Physicians and Surgeons has assured us it can put together the necessary

disciplinary panels comprised of members who have not participated in the job action today.

**Mr. Di Santo:** Mr. Speaker, the Provincial Secretary for Social Development said the Minister of Health is very concerned about the situation. He may be concerned but there are people who are in hospitals waiting long hours for even minor operations, such as my brother who has been waiting since this morning for an appendectomy. What can I tell him when I go to see him later on?

**Hon. Mr. Grossman:** Mr. Speaker, I am sorry but I missed the last part of that question. Could the member repeat it?

**Mr. Di Santo:** I told the minister he may be concerned, but what do I tell my brother when I go to see him in the hospital where he has been waiting since this morning for a minor appendectomy?

**Mr. Speaker:** The question was what should he tell his brother when he goes to see him because of a postponed minor appendectomy.

**An hon. member:** "Minor"?

**Mr. Speaker:** I think that is what he said.

**Hon. Mr. Grossman:** I should refer that question to the Minister of Consumer and Commercial Relations (Mr. Elgie). He might be in a better position to provide that answer.

The Ontario Medical Association has assured us that any emergency surgery will be conducted today. The member should indicate this to his brother and check with him as to his condition.

**Mr. Di Santo:** He has been waiting since nine o'clock this morning.

**Hon. Mr. Grossman:** I have never supported the job action and I do not think the OMA should be doing that sort of thing. But the member is asking me what to tell his brother. He should tell him that in spite of the fact the government has made a quite generous offer to the physicians of Ontario, his physician has decided to postpone the surgery for a day or two. As a matter of interest, the member should have his brother ask his physician if he knows what the government's latest offer is. I suspect he does not.

#### SAFETY OF OFFICE EQUIPMENT

**Mr. R. F. Johnston:** Mr. Speaker, I have a new question for the Minister of Labour. It is with regard to a question asked by our deputy leader, on April 23, about the refusal by the Ontario Public Service Employees Union representa-

tive, Bob DeMatteo, to endorse as acceptable the report on the video display terminal situation at the Attorney General's office in old city hall. The minister responded to the member for Port Arthur (Mr. Foulds) by saying, "I would also remind the honourable member that there is an advisory committee that is looking at this matter, including representation from the civil service union, and we hope to have this report very shortly."

Is the minister not aware that the Mr. DeMatteo who is not very happy with that report was his representative on that committee? In a letter to me, dated April 26, he said "Indeed, the task force has barely begun to demarcate the nature of the problem. At best the task force has been able to raise numerous unanswered questions. What is noteworthy is the absence of a long-term study of the health effects of VDT radiation."

Since the report from his ministry ignores the low-frequency radiation levels, which were quite high, does the minister not think it notable that his solution is not seen to be a solution by the union representative involved?

**Hon. Mr. Ramsay:** Mr. Speaker, I gave you a note earlier, indicating I have an answer to a question asked earlier. It pertains to this same subject. Would it be permissible to provide that answer now? Would the member accept that?

**Mr. Speaker:** I was going to suggest you give the answer to that particular question. When we resume the rotation, we will come back to you for an answer if it is a different question.

**Hon. Mr. Ramsay:** It is completely related, sir.

**Mr. Speaker:** All right; proceed then.

**Hon. Mr. Ramsay:** Mr. Speaker, last Friday I undertook to respond to questions raised by the member for Port Arthur (Mr. Foulds) and the member for Scarborough West (Mr. R. F. Johnston) regarding the ministry's report of its investigation into complaints of employees at the old city hall about possible health effects of ozone emissions from photocopy machines and nonionizing radiation from video display terminals.

The investigation was conducted by inspectors of the industrial health and safety branch with the assistance of staff from the occupational health branch and special studies and services branch, over a period of three days. The report was presented to and discussed with management and union officials last Thursday, April 22.



Because of the complexity of the issues this meeting was seen as the first of several with the employer and the workers to review the findings set out in the report. In fact, a further meeting is being held today at which the union will have the opportunity to express any disagreement with the methods or conclusions of the investigation.

**2:50 p.m.**

On completion of the investigation, no contraventions of the Occupational Health and Safety Act were found and no orders were issued to the employer. However, because the carbon dioxide levels were above comfort guidelines the employer was advised to improve ventilation by providing more fresh air in all work stations. Also, because of some inconsistent readings from ozone concentrations, the employer was advised to establish preventive maintenance programs for all photocopy machines and to monitor levels on a regular basis.

With regard to possible radiation emissions from video display terminals, the levels detected were well below guideline limits. Dr. Harkins of the University of Toronto has been named by the Minister of Health to inquire into the medical effects alleged to be associated with the operation of the terminals in this work place by a number of the operators. I might add that ministry officers will closely monitor implementation, and the inspection cycle has been changed from a 12-month to a three-month frequency.

On Friday, the member for Port Arthur asked why I had not ordered the establishment of a joint health and safety committee at the old city hall. I am sure the honourable member recognizes that to be truly effective, the internal responsibility system depends upon the co-operation of both labour and management. This employer has agreed to participate in a joint health and safety committee. In my view, the voluntary commitment made by the employer, which I believe will be shared by the employee representatives, will lead to a stronger foundation and a more effective commitment to the viability of the committee's work.

**Ms. Copps:** Following along the statements made by the honourable member in this question period, will the Speaker not perceive that this is, in fact, a ministerial statement and we should add some more time to the question period. That is what we are here for, to ask and answer questions. The minister has his own time for ministerial statements.

**Mr. Speaker:** The minister asked the concurrence of the House, which was given. I heard voices, and he proceeded with that permission.

**Mr. R. F. Johnston:** Mr. Speaker, on the matter of the voluntary committee, does the minister not recognize that a voluntary committee has no power under the act and that only a mandatory committee has that power? With the bad relations that exist right now between union and management there, would it not be far better to have a mandatory committee brought in by the minister's initiative and not rely on a voluntary committee which has no power at all under the act?

Second, if this is just the first in a series of meetings, why was the union representative so pressured to sign the documents and accept this report at the first meeting? Why was he not told that this was part of a longer discussion that would be going on in the future?

**Hon. Mr. Ramsay:** I have been told that the union representative, Mr. DeMatteo, refused the voluntary offer of a joint committee. That is the information I have been given; I cannot attest to its accuracy. He said he wanted the committee ordered by me rather than having it done on a voluntary basis.

**Mr. Wrye:** Mr. Speaker, I would like to return the minister to the issue as it was first raised, that is, the serious concerns over the large number of miscarriages. Is the minister aware that while the radiation protection branch of National Health and Welfare in Ottawa claims the emission levels of VDTs is acceptable, the Atomic Energy Control Board which gives guidelines to the radiation protection branch has admitted several times that there is no such thing as a safe level of radioactive exposure?

Does the minister not think it appropriate in this case that he should order a full-scale study into what has happened in this matter and the reasons behind the miscarriages, rather than have what seems to be developing as an ad hoc answer to a problem that goes right to the heart of the whole controversy over VDTs?

**Hon. Mr. Ramsay:** Mr. Speaker, with respect, I would remind the honourable member that the Minister of Health appointed Dr. Harkins to do just what he is suggesting. The members opposite pointed out on Friday that Dr. Harkins had not signed a contract as yet. I understand that the Minister of Health signed a contract today and that Dr. Harkins is expected to sign tomorrow, and even though the contract has not been signed up until today and tomorrow, Dr. Harkins

has already talked with officials on the task force of which Mr. DeMatteo is a member and he has already talked with other people about the VDTs and other related issues.

I would just like to take a moment more, if I might, to go back to a statement I made in the House some time ago in response to a question, and that is that all sorts of studies have been done and none has shown any relationship to these miscarriages. Despite the fact that none of them has shown any relationship there is an element of doubt, and as long as there is an element of doubt I believe it is my responsibility, the responsibility of my ministry and the responsibility of the Ministry of Health to continue to investigate these matters and, as the member suggests, to do full-scale inquiries. That is what we are attempting to do.

**Mr. R. F. Johnston:** Mr. Speaker, on a point of order: If I might say, what has happened is that because the answer to a question previously asked has been put in in response to my first question, I have essentially lost a supplementary.

**Mr. Speaker:** You agreed, with all respect, to that procedure taking place.

**Mr. R. F. Johnston:** I did not agree to using it.

**Mr. Speaker:** Yes, you did. I saw you nod your head, with all respect.

**Mr. R. F. Johnston:** With all respect, Mr. Speaker, I did not agree to give up one of my supplementaries just because he was going to try to incorporate his answer into this question—

**Mr. Speaker:** You did not give up a supplementary.

**Mr. R. F. Johnston:** —especially when he did not answer my first question.

**Mr. Speaker:** You will have to come back to that.

## FUEL CONVERSION PROGRAM

**Mr. Kolyn:** Mr. Speaker, I have a question for the Minister of Transportation and Communications. Approximately 9,100 vehicles are owned and operated by the province of Ontario; we will be replacing up to 2,400 vehicles of this fleet in 1982-83. Since the Ford Motor Co. has introduced a factory-manufactured, fully propane-fuelled vehicle in 1982, how many vehicles will we be committed to buying this year?

**Hon. Mr. Snow:** Mr. Speaker, at this moment I am unable to say exactly how many we will buy. I know we have bought one, because I am driving it.

**Mr. Roy:** There is a lot of hot air in that vehicle.

**Hon. Mr. Snow:** Every time I need the tank filled up I just pull around by the Liberal caucus.

Interjections.

**Hon. Mr. Snow:** We are, I believe, trying to buy some of the factory-manufactured vehicles. We certainly are planning to continue with the conversion of vehicles, and I believe we are planning to convert another 400 to 500 vehicles this year.

## GOVERNMENT ADVERTISING

**Mr. Bradley:** Mr. Speaker, the minister of propaganda is not here so I will ask my question of the Treasurer, who is responsible for funding this. It is an example of wasting money again.

Would the minister inform the House why it was necessary for his government to purchase five separate advertisements for five separate ministries in yesterday's business section of the *Globe and Mail*?

**Mr. Nixon:** Including Intergovernmental Affairs.

**Mr. Bradley:** Including Intergovernmental Affairs. "We're proud to be Canadian." It looks like a federal government ad; they are wasting money as well. "Working with you to keep Ontario beautiful."

Why was it necessary to buy five different, fairly large advertisements in the business section of the *Globe and Mail* yesterday? Can he tell the House approximately how much of the taxpayers' money he spent on those ads?

**Hon. F. S. Miller:** No, I cannot, Mr. Speaker.  
3 p.m.

**Mr. Bradley:** At a time when the government is running a deficit of over \$1.5 billion, when many of its agencies and ministries are strapped for funds to maintain a minimum program and when, for instance, health care workers across the province are asking for additional funds to restore the health care system to its former prominent place, how can the minister justify spending this kind of money on what amounts to political propaganda and self-congratulations?

**Hon. F. S. Miller:** If the member recalls, the section of the *Globe and Mail* where that information appeared was a special Report on Ontario. Those reports are done perhaps once or twice a year.

**Mr. Nixon:** There was a picture of the Treasurer.



**Hon. F. S. Miller:** Yes, there was, as a matter of fact.

**Mr. Speaker:** Address yourself to the question, please.

**Hon. F. S. Miller:** I am trying to address myself to the question, Mr. Speaker, but I would have to turn my eyes like that towards you, too.

In any event, the opposition has a great deal of fun with us when we keep the people of this province both informed and proud of the place they live. We are proud of Ontario and once in a while we are very pleased to let other provinces know.

Is the member listening now?

**Mr. Bradley:** Yes, I am listening.

**Hon. F. S. Miller:** I thought the member was an old school teacher.

**An hon. member:** A young school teacher.

**Hon. F. S. Miller:** Yes, that is more like it, a young school teacher retired. I taught school too. I would suggest to the member that in the other provinces of Canada which receive and read the Report on Business quite carefully, it is not too bad to show our pride in Ontario once in a while.

### COMMUNITY COLLEGE FUNDING

**Mr. Grande:** Mr. Speaker, my question is of the Minister of Colleges and Universities regarding the crisis in the community colleges. The final report on college growth, a report which the minister up until this time has refused to make public, points out that in the year 1980-81, 50,000 students were refused entrance to community colleges because of the unavailability of space.

In view of the fact that the college presidents told me on a recent tour that the number of students who want to attend the colleges increased dramatically from last year to this year—for example, Fanshawe College in London this year has 15,000 applications as compared to last year's 13,000; Algonquin, 17,000 this year, 12,500 last year; Centennial, 11,000 this year, 9,000 last year—is the minister in agreement with the final report on college growth, which states that “the growth problem in the colleges is primarily one of suitable funding rather than client demand”?

Does she accept the recommendation that the government allocation to the colleges of applied arts and technology system be commensurate with the level of service desired and required by the government?

**Hon. Miss Stephenson:** Mr. Speaker, to my knowledge there is not a final report of the

growth examination of the college system at this point. There is a report which has been transmitted to the Council of Regents, which is not the final statement on the matter of examination of growth within the college system.

We are acutely aware of the growth within the college system, as I believe most citizens of Ontario are, and as a result of that awareness we have not only increased the allocation to the colleges this year by 12.2 per cent, but have also made available an additional one per cent in order to accommodate additional growth.

**Mr. Grande:** Is the minister saying the 12.2 per cent increase to the colleges is a result of the continuous underfunding in the last three or four years? Is she not aware that youth unemployment in Ontario stood at 13.6 per cent in January 1981 and 16.3 per cent in January 1982?

Does she not understand that this 2.7 per cent jump in the rate of unemployment is the equivalent of 29,000 young people across Ontario, and is this unacceptable situation a desire or a requirement of her government?

**Hon. Miss Stephenson:** In the first place, the figure of 50,000 related to students who applied but were not admitted to colleges may not be an accurate figure. Unfortunately, at this point there is not an overall computerized application mechanism for the college system, and many of those applications are duplicate applications for similar courses in several of the colleges of applied arts and technology.

I am not at all sure that the increase in youth unemployment is due directly to the fact that some of those students did not get into college courses to which they wanted to be admitted. There are many other factors involved and I think it is quite spurious to suggest that all those young people would be admitted to college programs, if indeed they had ever applied to the programs.

The youth unemployment matter has been of grave concern to this government, and a number of initiatives have been begun in order to address specifically the needs of young people who do not have the skills training nor have had the background motivation, apparently, to be employed appropriately. One of the areas in which we have been actively involved is the Ontario career action program, which is probably the most successful employment program for young people in Canada.

### INTRODUCTION OF BILLS

#### EDUCATION AMENDMENT ACT

Mr. Di Santo moved, seconded by Mr. Grande,

first reading of Bill 89, An Act to amend the Education Act, 1974.

Motion agreed to.

**Mr. Di Santo:** Mr. Speaker, the purpose of the bill is to provide for heritage languages instruction in Ontario. The bill sets forth a procedure for the establishment of a heritage languages program in order that a heritage language may be taught as a subject of instruction or as a language of instruction.

### PROFITS FROM CRIME ACT

Mr. Renwick moved, seconded by Mr. MacKenzie, first reading of Bill 90, An Act to prevent Unjust Enrichment through the Financial Exploitation of Crime.

Motion agreed to.

**Mr. Renwick:** Mr. Speaker, the bill makes moneys earned by criminals from the sale of their memoirs payable to the Criminal Injuries Compensation Board, which is authorized to use the funds received in each case to satisfy judgements obtained by victims of the criminal.

3:10 p.m.

I believe this is the first occasion on which a bill has been tabled in a Canadian jurisdiction for the purpose of dealing with this type of exploitation. My thinking about it has been stimulated by the immunity to prosecution granted to Cecil Kirby by the Attorney General of Ontario (Mr. McMurtry) and by the circumstances surrounding the case of Clifford Olson in British Columbia.

I hope it will stimulate consideration by the Attorney General and others in Ontario, by those in other provincial jurisdictions and by the federal government so an adequate and uniform law can be developed relating to the principle embodied in this bill; namely, the criminal should not benefit from his crime.

### FAMILY BENEFITS

**Mr. R. F. Johnston:** Mr. Speaker, I have a point of order, a point of clarification or a point of personal privilege—

**Mr. Stokes:** Or a point of view.

**Mr. R. F. Johnston:** —or a point of view; it comes out of the answer of the Minister of Community and Social Services (Mr. Drea) to one of my questions. I would like to clarify the record. He indicated there were only 1,600 cases of potential family benefits recipients waiting in the office at 2195 Yonge Street.

I have had it confirmed again by field workers that there were 3,000, not 1,600. They were from the Metropolitan Toronto region, not just the city of Toronto; I never said they were. There were 3,000 of them. He said there was none prior to January of this year. I will give him one specific case, because he likes specific cases. It is Maria Ociepka. She filed her application there on December 8, 1981.

The day after I raised my question in the House, the field workers were instructed to get every case of Toronto potential recipients off their case loads within three days so the minister could come back to the House and give that kind of bravado answer.

### TRANSLATION SERVICES

**Mr. Boudria:** Mr. Speaker, on a point of privilege: I rise to draw to your attention that certain members of this Legislature have to avail themselves of translation services to perform their duties as members. I recognize these services do not come directly under your purview but are provided by the government to the Legislative Assembly for the benefit of the members.

I draw to your attention and to the members of the House that I have been asking for translation services as early as March 4 of this year, as well as on March 30 and April 5, 8, 16 and 23. Those translations, required for me to communicate with my constituents, have not yet been provided by the government.

As the presiding officer of this assembly, it would be incumbent upon you to ensure the government does provide us with the facilities necessary to perform our duties as members. Translation services for my office are as important as a typewriter would be to many members.

**Mr. Roy:** Mr. Speaker, on the same point of privilege: I am sure the minister in charge of French-language services will look into this and see to it this situation is corrected. The minister will understand that for some of us these translation services are extremely important. If we were to communicate with people in our ridings in only one language we would not only communicate inadequately, but it would also be an insult to a majority in our ridings.

When my colleague talks about waiting, in this case he is talking about translation of certain documents and material dating back over two months. I think most members would find it absolutely intolerable. I am sure the minister will agree it is intolerable to have to wait two months before communicating with



one's electorate about what is going on here at Queen's Park by way of communicate, press release or otherwise.

That is the problem my colleague is experiencing. That is a problem some of us experience when trying to get translation services.

I am sure the minister will look into the situation to see to it there is an adequate response. I am sure the people in the translation services are doing their very best but, if they do not have adequate staffing or manpower, they will be overworked. If they are not able to produce for members within a relatively short period of time, it frustrates the very purpose of having the translation.

I trust the minister will look into the matter and respond with the same dispatch as when he is putting in government ads or things of that nature.

**Mr. Swart:** On the same point of privilege, Mr. Speaker: The French-speaking citizens of this province, and I have many of them in my area, question the sincerity of the government in the provision of French services. I suggest that if they cannot get a prompt reply in their own language, even from members of the Legislature, they have some reason to doubt that there is adequate provision of French services in many other areas.

**Hon. Mr. Wells:** Mr. Speaker, I would be most happy to look into this and report to the members. I think I read in Max Yalden's latest report that they did a spot survey in one of the counties of this province and found that the services from the Ontario government far exceeded those provided by the federal government, which is officially bilingual.

**Mr. Speaker:** As honourable members have quite correctly pointed out, it is a matter beyond my jurisdiction and authority.

**Mr. Nixon:** Send it to the Office of the Assembly.

**Mr. Speaker:** The government has indeed taken notice and I hope will respond.

**Mr. Nixon:** On a point of order, Mr. Speaker: I saw you giving me a double whammy when I interjected that perhaps this matter might be taken on by the Office of the Assembly. It seems clear to me it is a matter that might concern the Office of the Assembly and the Board of Internal Economy.

It occurs to me that many very competent French-language people would be available, even students would be delighted to have a few days' employment right now, or even during the

summer if there is a backlog of translations to be performed. Since the government is somewhat reluctant, maybe we ought to show a little initiative ourselves in this regard.

**Mr. Speaker:** Perhaps the member could raise this at the appropriate time.

**Mr. Nixon:** What could be more appropriate?

**Mr. Speaker:** Order. Could we have the unanimous consent of the House to revert to petitions?

Agreed to.

## PETITIONS

### ANNUAL REPORT, MINISTRY OF THE ENVIRONMENT

**Mr. Elston:** Mr. Speaker, I want to present a petition pursuant to subsection 33(b) of the standing orders of the Legislative Assembly of Ontario, signed by 20 members, requesting that the annual report for the Ministry of the Environment for the year ending March 31, 1981, be referred to the standing committee on resources development.

**Mr. Speaker:** In view of an earlier ruling which I have made, I will have to ask the table whether or not this is in order.

It is not a statutory report; therefore, I am afraid it is out of order.

**Mr. Nixon:** On a point of order, Mr. Speaker: I would like to ask the Speaker what remedy he would suggest for the opposition members or back-bench government members when a report that is brought forward by an emanation of government, maybe even a ministry, cannot be referred to a committee because of your interpretation of the rules and your ruling that the thing is not referable, not being a report called for by the statutes?

We seem to have a very difficult time getting the procedural affairs committee to consider any changes, since the Conservative members on the committee are so enamoured of the status quo that they will not consider any changes. It leaves us in a position where reports laid upon the table cannot be referred to the various committees using the rules of the House, because they are not, as you interpret them, the statutory reports that are not forthcoming from some of the ministries.

What are we supposed to do about this? This is a real impasse which is unacceptable.

**Mr. Martel:** Mr. Speaker, you will recall when we were discussing this issue last week I asked if you could find out the grounds on which certain

ministries have statutory reports. There should be some consistency coming from government as to these statutory requirements.

I am not sure why one ministry has a statutory requirement and the next ministry does not. Surely it is time the government House leader indicated to us that either there are going to be amendments made to the various acts where there are no statutory requirements or we get some indication why some are and some are not a statutory requirement.

**3:20 p.m.**

I understand in one of the new bills coming forward the minister himself is now prepared to make a statutory requirement for that to have a report. But there are too many, and I think there is something strange when some lead ministries have a report and other lead ministries do not. There has to be some consistency on what is reported to the Legislature and what can be considered.

**Mr. R. F. Johnston:** Mr. Speaker, on the same point if I might: As the recipient of your judgement the other day to accept mine as the last you would allow through, I would first like to thank you for that judgement, which I thought was most fair.

I also rise to speak to the problem my House leader is raising at this point, because it strikes me we must have some sort of rationale for why some ministries are not included, or have amendments brought in quickly to make sure all ministries automatically have to give a report that is covered by statute, or have some understanding from the House leader of the government party that he would consider it acceptable for us to make these kind of referrals until such time as those adjustments are made, so that your hands are not tied, as you said they were when you made the ruling on mine.

I would be very pleased to hear if the government House leader would indicate that, as far as he is concerned, there is no rationale for exceptions, and that until we can make redress through legislation we should at least have his go-ahead that those kind of petitions might be brought forward by unanimous consent.

**Hon. Mr. Wells:** Mr. Speaker, as you properly indicated, this matter was addressed by you last week. I have not had time to complete my study of the matter. First, it strikes me that the committee of this House, supported by all parties when they rewrote the rules, put in the words "statutory reports." I have not had time to find out exactly what they meant, but in their

wisdom they did include the words "statutory reports."

It behooves us to find out what the thinking was behind that. When that is done, either the procedural affairs committee or all the House leaders should look at the matter and decide whether the simple thing to do would be to remove the word "statutory" from the standing orders.

It is certainly a much longer, more complicated and, I think, needless task to suggest amending all the various bills that provide for reports of one kind or another or, indeed, that do not provide for any annual report and yet a ministry makes that report. I think that is the process we are now going through.

I would offer an interim solution to my friend who has put the petition which has been rejected because it does not conform to our standing orders. If it is Hydro matters my friend wishes to have looked at by the committee, I think he will find the Hydro annual report is on the list that the Clerk of the House has as a statutory report, and perhaps he would like to refer the Hydro report down. I think I am correct in that.

**Mr. Nixon:** Mr. Speaker, if we are looking for a solution at this particular time we might use the one you used at the last presentation of a report and ask for unanimous consent for it to be referred. If any member felt the rules were being unnecessarily broken under those circumstances, then surely there would be no complaint.

I would suggest to you, sir, this is one of the major ministries of government, the Ministry of the Environment, and there should certainly be a statutory requirement for a report. Perhaps the minister himself will remedy that in the future. But as you indicated, it would be possible for the report to be referred if there were no objections from any member of the House.

#### ANNUAL REPORT, MINISTRY OF NATURAL RESOURCES

**Mr. Stokes:** Mr. Speaker, since you do have unanimous consent of the House to revert to petitions, pursuant to standing order 33(b) of the Legislative Assembly, the undersigned members of the assembly hereby petition that the annual report of the Ministry of Natural Resources for the fiscal year ending March 31, 1981, tabled in the House on October 22, 1981, sessional paper 227, 1981, be referred to the standing committee on resources development for such consideration and report as the committee may determine.



**Mr. Speaker:** That petition is indeed in order. It is on the list.

**Mr. Breagh:** Mr. Speaker, I just wanted to point out to the members that the procedural affairs committee has looked at this particular problem on several occasions and has made two specific points. One of these was in our jurisdiction, and that is the standing orders part of it; the other was not.

We said that all ministries should, by statute, have to table an annual report; that is not within our jurisdiction and we cannot change it through the standing orders. Having said this, we then said the standing orders should read that these statutory reports can be referred.

In addition, we looked at all the government agencies and indicated that there ought to be some uniformity there, that where agencies are rather substantial in size their annual reports ought to be considered statutory reports, they ought to be put in here and they could therefore be referred by petition.

So the procedural affairs committee has looked at this matter in previous years, and that was our three-party recommendation to the House. Clearly the intent was that all of these reports from the ministries would be considered statutory, and we would have no technical problem.

What has happened is that the standing orders moved by procedural affairs got carried in the House but the recommendation about making these statutory, which would have to be done ministry by ministry, has not been subsequently carried out.

**Mr. Speaker:** Thank you. The standing orders, as all honourable members know, are very clear on this topic. However, it is in the hands of the members themselves to make changes. It has been suggested that unanimous consent may be considered. I will, therefore, ask if we can have unanimous consent.

**Hon. Mr. Wells:** Mr. Speaker, in a very significant change like this, which could be assumed to be a precedent, I think my friend will agree that if we wish unanimous consent we usually consult ahead of time. I would like to reserve any agreement on unanimous consent until I have at least had time to look over the matter and consider it.

**Mr. Conway:** Would you like to adjourn for a couple of weeks?

**Hon. Mr. Wells:** No, I do not want to adjourn for a couple of weeks, but the member knows that if we are asking for unanimous consent we usually at least consult. The matter has now

come up and the Speaker has ruled on it. In fairness, we should have time to consider some of the matters I raised, and then we can see whether we want to proceed on Thursday.

**Mr. Stokes:** Can I move that unanimous consent be accorded the member for Huron-Bruce (Mr. Elston) to introduce that petition under section 33(b)?

**Mr. Speaker:** No, I do not think you can. I think that is out of order; in fact, I know it is. Obviously, unanimous consent is not going to be given, so I am therefore going to abide by the wishes of the House. I hope the House leader or others may be able to get together and resolve this problem.

**Mr. Breagh:** Mr. Speaker, I have no objection to the House leaders meeting on this or the government House leader meeting with his caucus—

**Mr. Speaker:** Same topic?

**Mr. Breagh:** On the same topic—

**Mr. Speaker:** You have already spoken. Sorry.

**Mr. Breagh:** Just a small point of order, then.

**Mr. Speaker:** A new point of order.

**Mr. Breagh:** Procedural matters, I would think, would quite properly stand referred to the procedural affairs committee, not to a meeting of the House leaders or a meeting of the government caucus. If you are going to allow this to continue I would ask you to ask, as you by precedent have done on several other occasions, that the matter be referred to the procedural affairs committee on Thursday morning.

**Mr. Speaker:** I did not indicate or want to indicate or give direction as to where it should or should not go; I hope the House itself will resolve the problem.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I would like to table the answers to questions 24, 25, 26, 77, 80, 81 and 92 and the answers to questions 78 and 79 standing on the Notice Paper (see Hansard for Friday, April 30).

3:30 p.m.

#### ORDERS OF THE DAY

##### MINISTRY OF INDUSTRY AND TRADE ACT

**Mr. Lane:** Mr. Speaker, in the absence of Mr. Walker, I move second reading of Bill 38, An

Act to establish the Ministry of Industry and Trade.

**Mr. Speaker:** In the absence of Mr. Walker, Mr. Lane moves second reading of Bill 38. Is it the pleasure—

**Mr. Nixon:** No. On a point of order, Mr. Speaker: Surely, when a bill to establish a ministry is before the House for debate in principle, one might expect that the minister himself would be present. I have a high regard for the member for Algoma-Manitoulin (Mr. Lane) and I hope that he does become a minister some day, but he is not the minister now.

We have a new minister and a new ministry, and the debate on this bill is going to be a discussion of what we think the goals and administrative procedures of the ministry should be. I believe the minister should be here if we are going to proceed with second reading of this bill.

**Mr. Martel:** Mr. Speaker, like my friend the member for Brant-Oxford-Norfolk (Mr. Nixon), and with all respect for my friend the member for Algoma-Manitoulin, we are creating a new ministry and asking a parliamentary assistant to carry that.

I find it outrageous that the government is attempting to create a new ministry with tremendous ramifications because of the complexity of what we are undertaking and the type of portfolio we are talking about, and the minister is not even here. Maybe he is off selling another White or something like that to some multinational, but we find it pretty depressing that we are asked to proceed and put a parliamentary assistant on the spot when it should be the minister. The whole thing is totally ridiculous.

**Mr. Speaker:** Order. The government House leader is going to call another order.

**Hon. Mr. Wells:** If my friends do not wish to proceed with the parliamentary assistant—it is not a new procedure; a number of parliamentary assistants carry bills.

**Mr. Nixon:** We are expressing our objections.

**Hon. Mr. Wells:** All right. I am a very reasonable person. I will be happy to move on to the 22nd order.

#### MINISTRY OF TOURISM AND RECREATION ACT

Hon. Mr. Baetz moved second reading of Bill 41, An Act to establish the Ministry of Tourism and Recreation.

**Hon. Mr. Baetz:** Mr. Speaker, I consider it an

honour and a privilege today to present to this House Bill 41, An Act to establish the Ministry of Tourism and Recreation. I hope that the honourable members, as they examine this bill, will reach the conclusion that the establishment of the new ministry by the government was a progressive and a forward step.

It is a step that recognizes the fact that the vital and important programs of tourism and recreation have come of age; a step that foresees a rich maturity for both of them as they build upon the natural affinities and share complementary goals.

They are both very busy, very complex areas, and I have no desire to oversimplify the task being faced by the ministry. In its clearest terms, the new ministry is about people. On the one hand, people are being encouraged to live to the fullest degree of their energies and talents and to take full advantage of our natural landscape to do so. On the other hand, it is about the pride these people have about their lifestyles in this great and beautiful province and their desire to share this richness with others from around the world.

These are perhaps the two basic themes around which the provincial government in the past dozen years has nurtured the impressive and effective programs in both tourism and recreation that we see today. I would like to take a moment to speak of the recreation side of the ministry first, because that is the area with which, at this point, I am most familiar.

I must say that as Minister of Culture and Recreation for more than three years I spoke with justifiable pride about the many varied sports, fitness and recreation programs developed by that ministry, and the excellent results they achieve. I think every member of this House knows on a firsthand basis in his own area just how much is being done in programs and facilities for sports and recreation in this province and how important these are to the quality of life of all of our citizens.

Let me bring it back into quick focus. In 1972, there were only 39 sports governing bodies participating in the amount of \$331,000, which was provided by the provincial government. In the past fiscal year 72 sports governing bodies, almost double the number that existed back in 1972, have shared \$4 million in direct operating grants for administration purposes; a further \$1.8 million in administrative support through the Ontario Sports Administration Centre; and a further \$5 million in Wintario grants for various programs.



I could add up equally impressive sums for the many other aspects of the recreation side of the ministry. I think there is ample evidence of the success of our efforts in the careers of Steve Podborski, Alex Baumann, Al Hackner's curling team and even professionals such as Wayne Gretzky. What other province can in a single season produce winners of three widely contested world championships and field several other world-class athletes?

I believe we have arrived on the world stage, and it is the commitment of the new ministry to keep us there. As we help the talented reach out for world recognition, we have no intention of neglecting the purely recreational side of sports; neither will we neglect to provide every opportunity for the disabled and others to develop their abilities to the fullest.

I am extremely proud of what we as a government have achieved to date, and I am looking forward to the opportunities and the challenges that the framework of the new ministry presents to enrich and extend our programs. In this regard, I met recently with the members of my parks and recreation advisory committee and gave those dedicated men and women my personal assurance that their needs will not be neglected in the new ministry and that they will find their programs and interests enriched by this union.

I believe this new ministry provides us with a number of truly golden opportunities. Not only do I see an environment where tourism and recreation can flourish individually, but also I see opportunities for both sides of my ministry to help and complement one another. Tourism can assist recreation; conversely, recreation can assist tourism. It is an exciting new dimension.

One obvious area that has been facilitated by our new partnership is the tourism development of our government attractions. The new ministry encompasses many of the government-operated attractions, including Ontario Place, Minaki Lodge, Old Fort William, Huronia historical sites, the Thunder Bay ski jump complex and the three parkway commissions: the Niagara Parks Commission, the St. Clair Parkway Commission and the St. Lawrence Parks Commission, including Old Fort Henry. The potential marketing development and operational benefits that can accrue to these attractions, by working closely with the other sections of my ministry and with each other, are substantial.

Another concept we will be exploring is the

packaging of vacation experiences. These will utilize existing and new recreational facilities.

Turning again to the quality of life that makes Ontario such an attractive place to visit, I hope municipal recreation departments will realize that they have found an ally in the tourism industry as they seek ways to improve the recreation components of their towns and villages. I believe it is a very powerful ally.

I am happy to report that 1981 was the best year ever for tourism in Ontario. Tourism now is firmly in second place, next only to manufacturing, as a creator of wealth and jobs for our citizens at all levels of our economy. Total revenues reached a record \$8.8 billion last year, an increase of 16 per cent or \$1.2 billion over 1980. By contributing \$1.3 billion in provincial tax revenues, and as a primary creator of jobs, tourism has assured its place as a major pillar of our economy.

**3:40 p.m.**

Tourism's impact on the lives of all of us will continue to grow. It has been predicted that by the year 2000 tourism will be the largest industry in this province. But it will not achieve that rank by itself; it will need all the professional and promotional help it can get. Our tourist operators deliver a high level of service to the travelling public, but they realize they are in a highly competitive world market where other equally astute jurisdictions are starting to reach out for shares in the tourism boom of the future.

The leaders of the tourism industry I have met in the few weeks I have been in the portfolio have nothing but positive expectations from this new ministry. They recognize that the government has always placed a high priority on tourism and that it has played a leadership role through a broad base of programs and marketing strategies such as the highly successful "Ontario—yours to discover!"

We reached the solid position we are now in because the government and the industry worked as partners. The new ministry solidifies that partnership and opens, for both parties, tremendous opportunities and challenges in terms of the industry itself and the quality of life of all our citizens.

In the months and years ahead, the new ministry will work with the industry to design, develop and deliver policies and programs that meet today's needs and anticipate tomorrow's promise. We will continue to emphasize advertising and promotion in key domestic and international markets. We will refine our programs in the areas of travel counselling, tourism

consulting and financial assistance for improvements in the tourist infrastructure. We will undertake a formal advocacy role, providing a strong voice for tourism as well as recreation as new government policies and programs are developed.

As I noted, the industry is delighted at the recognition of its importance that the creation of the new ministry implies. It is anxious to reward that confidence with results. As the new minister, I intend to give it every opportunity to do so.

**Mr. Eakins:** Mr. Speaker, it is a great pleasure to speak on behalf of the Liberal Party on the introduction of Bill 41, An Act to establish the Ministry of Tourism and Recreation. I am sure all members of this Legislature are aware that it is the one bill we strongly support, and I extend my congratulations to the government for finally moving to establish this ministry.

Members will recall that four years ago, when I chaired a task force on tourism across this province, this was one of the recommendations of our task force.

**Mr. Nixon:** Most of their policy comes from your report.

**Mr. Eakins:** I am pleased to say that most of the recommendations from that report have now been incorporated by the government. This is the last and the one major part of our report which I am pleased to see adopted.

At that time, I recall sending a copy of our task force report to the Premier (Mr. Davis). His reply was that it was not feasible, that it would lose the thrust if they separated Industry and Tourism. Even the former Minister of Industry and Tourism, now the Minister of Health (Mr. Grossman), was opposed to the separation of Industry and Tourism, but I feel it has been an excellent move. Having Industry and Tourism under one minister was too powerful, and the separation is going to see an increased importance placed on tourism in this province. I believe we are probably the last province in Canada to give tourism the profile and the priority it deserves.

**Mr. Riddell:** We are the 10th and last province, period.

**Mr. Eakins:** Regardless of that, I am pleased to see the government has finally moved and has established its own ministry.

I agree with the minister that tourism has the potential to be the number one industry in Ontario by the year 2000. At the time of our task force tour across this province, tourism had

declined a great deal. Our share of the national deficit in tourism was high indeed. It now has been reduced somewhat to about 40 or 45 per cent of what happens across Canada. I believe we still have a deficit of something like \$500 million as our share.

I am pleased to support this bill, but I have a few thoughts I wish to leave with the minister. Now that we have the new ministry, he has an opportunity to assume a leadership role. I hope the minister's role will be not just an administrative one, because it will lose the thrust and will do nothing for tourism in this province.

Now that we have our own ministry, I expect the minister to assume that leadership role and to make sure the other ministries in his government are aware of the importance of tourism. One in 10 Canadians is employed in tourism and it is something like a \$9-billion industry in Ontario. It is important that the minister assume this leadership role.

Recently, the ministry has been taking a look at the tourism studies conducted across this province to date. I believe a great deal of improvement can be made in these studies. I know different areas have been studied, but I do not believe the people who are commissioned to do these studies are doing as complete a job as they should be. They are not talking to the heads of municipal councils, the people who are involved in the municipal studies. In future, when another study of tourism potential is commissioned, I hope the minister will take a look at this area.

I know there was some concern about the Haliburton-Peterborough study. Some people in the Minden area were concerned that many of the people who are very much involved in the tourism industry were never consulted.

As one of the main tourism spokesmen in this Legislature, I practically had to ask to be interviewed myself. Surely, if we are going to look at the tourism potential of this province, we should be looking to the members who are elected to serve here. There can be a lot of improvement in this area. I know the minister is taking a look at the effectiveness of the studies to date, and I think this can be improved a great deal. I ask him to take a personal look at that.

I also ask the minister, in assuming his role of leadership, to consider the effect of other ministries on tourism. I specifically mention the Ministry of Transportation and Communications. I believe the road patterns of this province should be looked at in the sense of what they are going to do for our tourism industry.



For instance, there is the establishment of the project in Maple which I think is going to do a great deal for many areas because it will bring thousands of people to this province. But suppose those people want to go to other areas, such as Peterborough, Lindsay, Haliburton or areas east; there is no road access east or west other than heading straight south again, going down to Highway 401 and then finding their way to eastern Ontario.

The establishment of Highway 89 from highways 401 and 400 to highways 12 and 7 is going to serve that area somewhat, but I ask the minister to take a look at the road patterns in his work with the Ministry of Transportation and Communications.

I also ask him to take a fresh look at the road signs, which leave something to be desired. The Minister of Transportation and Communications (Mr. Snow) will say, "We only sign the destination communities of those highways." However, along those highways there are major tourist areas.

For example, when travelling on Highway 35 south of Lindsay, one comes to Highway 7 and Bobcaygeon, one of our important summer areas. Many of the people in this Legislature visit that area. Yet until one turns east on Highway 7, one does not know that Bobcaygeon even exists.

**3:50 p.m.**

I feel that more of our highways should be signed to indicate the importance of tourism. I would ask the minister to review that in his interministry meetings.

He must give a lot of consideration to information centres and rest centres. The rest centres on our highways are lousy; in many areas they are almost nonexistent. They need to be improved and updated. We also need to improve the information centres in this province, not only in main areas at the border crossings but also in other parts of the province, because this is a very big province. I ask that he review this.

It is important too, when talking with his colleague in the Ministry of Natural Resources, that he take a look at the importance of stocking our lakes. Millions of tourism dollars are brought into this province through the fishing and wild-life opportunities here.

I have already questioned the minister on the sales tax on accommodation which I feel, because of the time when it was put on, is going to be something of a setback to those who are in the tourism and hospitality industry. With problems in the other parts of our economy, this is one

area where the sales tax should have been left off or reduced drastically until other segments of our economy could show improvement.

The meal tax is something that is absolutely not right. We tax meals costing more than \$6 at 10 per cent; it is the only area where we tax at more than seven per cent. One can buy a fur coat or other luxury commodities with a tax of seven per cent, yet if one pays more than \$6 for a meal, one must pay 10 per cent tax. I hope the minister will use his influence with the Treasurer (Mr. F. S. Miller) to lower the tax and raise the \$6 minimum to at least \$8. I think it is only being fair to this great industry, our second largest industry.

I want to say to the minister that one of the important programs is the "We treat you royally" campaign, but it is only important if training takes place. I have watched workers at our hotels and lodges sporting the "We treat you royally" buttons which the ministry sends out in the summertime. One can tell when spring comes, because they put on these "We treat you royally" buttons. Take a look at the people wearing them. Some of them never smile, never speak to a person. I think the training program has to be updated.

The program carried on for a year or possibly two years and then it was dropped. I think the "We treat you royally" approach is going to be one of the keys to the success of this industry in this province. It is fine to promote the industry, but if we do not know how to treat the tourists royally the way they do in other jurisdictions, then it does not mean a great deal. This is one area where I hope his new ministry will take a lead to make sure that training is not just something for one or two years. It has to be ongoing every year, because it is one of the very important parts of our industry.

I mentioned the Ministry of Transportation and Communications, and I want to leave this with the new Minister of Tourism and Recreation. I believe tourism was affected to a degree last winter when the Ministry of Natural Resources cancelled funding to our snowmobile clubs, because many of these trails were developed by volunteers who depended on that funding to make the trails available to all people in Ontario.

In many ways, the user fee has not worked out. I recommend to the minister that, in co-operation with his colleague the Minister of Transportation and Communications, he urge that 50 per cent of the annual snowmobile registration fees go to snowmobile clubs for trail

maintenance programs. I think 50 per cent of the registration fees should support our snow-mobile clubs.

I also suggest to him that in the development of this bill he should include a provision for an annual report to the Legislature. I think that is very important indeed.

There is one area in which I am somewhat disappointed; that is, the announcement of a feasibility study of a convention centre at Morrisburg. Why is this the first major announcement made since the establishment of this new ministry that has not been accompanied by a press release to inform us of the minister's out-of-town statement? Will he explain, in regard to this proposal, how land designated under the St. Lawrence Parks Commission Act for parks, and therefore for the use of the public of Ontario, can be suddenly turned over, possibly to an international corporation to construct, develop and manage a major convention centre? I would like to hear him enlarge upon that, because I think it is very important.

I also want to know how this will affect the current tax-exempt status of such lands owned by the St. Lawrence Parks Commission. To what extent was input from the local hotel-motel operators, other businessmen, chambers of commerce and municipal representatives involved in the decision to go ahead with the study which, if it materializes, will have a more profound impact on the local establishments than any other project I can imagine?

I know the announcement was made yesterday and, to my recollection, the only awareness in the area was a call to a little party, or a brunch on the Sunday, to announce what was taking place. I think it is very important, in regard to this feasibility study, that we examine the effect it is going to have on the other urban areas. Why would such a centre not be built in a more urban area, where there is a spinoff to help the local business people?

**Mr. Nixon:** Closer to Cornwall.

**Mr. Eakins:** Closer to Cornwall, Brockville and other areas. I ask the minister to bring us up to date on this and on why no minister's statement was forthcoming.

Those are a few of the questions I would like the minister to answer. Other than that, I fully support the establishment of this ministry. I wish the minister well. I have appreciated his co-operation to date. I am looking forward personally to learning more of his ministry. I think I understand a great deal of the tourism sector; I appreciate the opportunity to know

more of the recreation area. It is a very important part of this province.

I have had the pleasure of meeting many of his personnel. I think he has excellent people in his ministry, and I think they are ready to do the job. Now that he has his own ministry, I hope that he will show the leadership of which I know he is capable and that we will see an increase in the tourism potential of this province.

**Mr. Stokes:** Mr. Speaker, the first thing I want to say and make quite clear to all members of the assembly is that after a good deal of study of the triministerial reorganization—that is, the dismembering of the Ministry of Industry and Tourism and the Ministry of Culture and Recreation as we knew them and their formation into three new ministries, Trade and Industry, Tourism and Recreation and Culture and Citizenship—after a good deal of anguish and study of this reorganization, the New Democratic Party will be voting against the setting up of the Ministry of Tourism and Recreation as envisaged by Bill 41.

We say this for a variety of what we consider to be legitimate reasons and apprehensions about this move. I hark back to the debate in 1974 when the Premier (Mr. Davis) made the announcement, giving what were generally accepted to be cogent and persuasive reasons for setting up the Ministry of Culture and Recreation.

**4 p.m.**

Some very dedicated civil servants had the responsibility for program delivery in that ministry and laboured hard and long after it came into being in 1974. During those seven years they were getting a handle on the programs under that ministry, and forming their ideas of their mandate and how to liaise with their client groups in Ontario for the delivery of those programs. I worked closely with members of that ministry, as did other members of this House, not only here in Toronto but out in the various regional offices throughout the province. I think they offered yeoman service.

Mr. Doug Fisher, who was commissioned by this minister, authored a report titled, *The Policy and Programs of the Ontario Government for Recreation, Sport and Fitness in 1981*. Members may have read that report. He was not asked to comment on a proposed reorganization but to address himself to the delivery of existing programs affecting recreation, sport and fitness under the former Ministry of Culture and Recreation.



I think the ministry came out reasonably well in the critique done by Mr. Fisher, although I understand the report was not widely circulated. As a matter of fact, when I was given the responsibility for being the critic for this ministry and tried to get a copy of it, the only place it was available, generally, was the legislative library. Obviously it is the only copy of that report that they have, because one or two of my colleagues have tried, unsuccessfully, to get a copy of it there. I do not know whether it is by accident or by design that there are so few copies of that report around.

I took the liberty of phoning Mr. Fisher and asking him what he thought about the reorganization, which has occurred relatively soon after that major critique was commissioned. I do not presume to speak for Mr. Fisher but he seemed flabbergasted to learn that there was to be this complete reorganization, a separation of recreation from culture, without any public consultation and without any input. That was the sentiment expressed to me in general terms by Mr. Fisher.

I took the time and trouble to consult with two other groups in the province, the Parks and Recreation Federation of Ontario and the Society of Directors of Municipal Recreation of Ontario, to ask them what they felt about this reorganization after the fact rather than before the fact. As we proceed with this piece of legislation, which will certainly go to committee of the whole House, it may be of sufficient import to those client groups in the field that it should go to a standing committee of the Legislature, outside the House, so those people can come before it and express their reservations.

I know they have done that privately to the minister. I would not be nearly as critical as I am going to be this afternoon if it were not for the apprehensions those two groups expressed to me, as they obviously have expressed them privately to this minister. It may be we would have had good reason to support this legislation.

For the benefit of members of the House, I think I have a responsibility to bring to their attention the concerns expressed to me by those client groups out in the province. They felt that, after seven years, culture and recreation was just beginning to get a sense of direction and was working well with the dedicated people in the various branches of the former Ministry of Culture and Recreation.

I think it is fair to say the tourist industry seems to be pleased that tourism has come out

from under the umbrella of the Industry ministry generally and, as a result of that, hopes tourism will be given a much higher profile than it enjoyed with the previous Ministry of Industry and Tourism. However, the people in the recreation field, under the reorganization, feel they will be playing second fiddle to the tourism industry. I hope that will not be the case, but that was the reservation they expressed to me about this reorganization.

Another reservation expressed to me by the Parks and Recreation Federation of Ontario was that the Parks Assistance Act should be administered by the new Ministry of Tourism and Recreation rather than left within the domain of the Ministry of Natural Resources.

When they mentioned that to me, I busied myself and got a copy of the Parks Assistance Act to find out why they were so apprehensive about it remaining with the Ministry of Natural Resources when, in effect, this ministry, under the schedule attached to Bill 41, indicates that the Niagara Parks Commission, the St. Lawrence Parks Commission and all of those mentioned in the minister's opening statement would fall within the purview of this new ministry. The Parks Assistance Act, which does not generally deal with provincial parks and so on, implies they will not.

**4:10 p.m.**

The Parks Assistance Act deals with a ministry of this government providing funds to municipalities. In the event there is not a municipal organization, it even provides for other groups with a legal entity to negotiate through the Parks Assistance Act for funding for the establishment and maintenance of small municipal parks.

Why do I take so much time to explain why I think the Parks Assistance Act should be under this ministry? It is because a few weeks ago in this House the Minister of Natural Resources (Mr. Pope) filed a series of reports and policies indicating the direction that ministry would go in redefining policies and strategies for improvement of the provincial parks system.

In so doing, one small provincial park in my riding is going to be phased out. Inwood Provincial Park, about 90 miles west of the city of Thunder Bay near the hamlet of Upsala, is going to be phased out because it does not identify any unique, natural beauty or characteristic. All that can be said about it is that it is a beautiful little provincial park. Because it does not contain pictographs or a lot of the things that, for whatever reason, people think they should have

within the confines of a provincial park, it is going to be phased out.

This means we will wipe out the only provincial park within an area of 100 miles of this little hamlet along Highway 17. It provides an excellent opportunity for people who live in rural northern Ontario to go and spend an evening or weekend. It is a facility they have used to great advantage in the past and will continue to use if the opportunity is made available to them. Obviously, it is not going to be made available to them if the Ministry of Natural Resources has its way.

To get back to the tourism aspect again, it is a drawing card for small retail outlets in that general area. Because it does not contain any unusual physical characteristics, it is going to be phased out. I think it is important that if a new ministry like this is going to work, it is going to have to appreciate and protect those values that, for a variety of reasons, are so important to people across Ontario. I would liken Inwood Provincial Park on the outskirts of Upsala to the Kortright Centre for Conservation just a few miles north of the city here. I would liken it to High Park in downtown Toronto, which is a facility where people can go and do the variety of things they are able to do within its confines.

But we have the Ministry of Natural Resources dealing with the operation and maintenance of something like 130 provincial parks throughout Ontario, and it sets up criteria that generally apply in a sort of global fashion as to what constitutes a park in the minds of the Minister of Natural Resources and of all the research geographers and all the planners with all their professional jargon. I would like any of them who have suggested that park be phased out to go and take a look at the beauty that is there, and the impact it has on the economy of that little area. That will not be possible if we leave it with the Ministry of Natural Resources because we do not fit the mould, the clear-cut mould it has for all its kinds of park categories. That is why I think the Parks Assistance Act should be within this ministry rather than the Ministry of Natural Resources.

Another apprehension these groups I contacted have is that the cultural components, which are a large part of recreational programs run by municipalities and small local groups, remain with Tourism and Recreation, as should libraries. We heard the new Minister of Citizenship and Culture (Mr. McCaffrey) explain the rationale for cutting off certain responsibilities that were formerly with Culture and Recreation.

Some of them will stay there for reasons yet unexplained, and others will be moved over for reasons yet unexplained.

When one talks to municipal recreational directors, here in the city of Toronto or in Sault Ste. Marie or Kitchener or places like that, just when they had a mindset as to where they would go for the kind of assistance they need within the government of Ontario, they find now they might have to go to a variety of sources. The minister knows in all his travels that if one goes to Schreiber or any one of the other 700 municipalities in the province, things happen there in a way in which they do not necessarily happen here in Metropolitan Toronto. Let me explain.

If a municipality, through its recreation committee, wants to set up a sports program, a fitness program, a recreational program or a cultural program, it is usually done by one group in that municipality, quite often in the same building, because they have to try to effect economies of scale, and they have to make the best use of scarce tax dollars in order to provide culture, recreation, sports, fitness, handicrafts, various courses that are made available by small local recreational groups in their program.

**4:20 p.m.**

I hark back to a memorandum that was sent to all members of this assembly, signed by the Minister of Citizenship and Culture and the Minister of Tourism and Recreation (Mr. Baetz), dealing with the administration of the Wintario grant program. I am going to quote just a portion of that joint release:

"Municipalities and community groups applying for Wintario grants will continue to be served by a so-called"—and this is the word of the two ministers—"one-window system through the community program offices in the province. These offices, operated by the Ministry of Tourism and Recreation, will be staffed by MTR consultants involved with sports, fitness and recreation and MCC consultants involved in citizenship and culture. These consultants have a single mandate to serve the client in the communities of the province."

I think I have a right to assume from that joint communique or memorandum that consultants from the Ministry of Tourism and Recreation and consultants from the Ministry of Citizenship and Culture will be in the same building at the same location. Is it so important that the consultants from the two new ministries be housed in the same facility so it will be a one-stop shopping operation?



That raises questions, certainly in my mind, and it should raise questions in the mind of anyone who is interested in why we need two ministries in the first place. It was working very well before. We had Culture and Recreation. Why do we now need Tourism and Recreation and Citizenship and Culture? Those are the answers that people are looking for out there—that is, the client groups I spoke to.

What about libraries? It is becoming increasingly difficult for small communities—I can only speak with some degree of knowledge about the problems facing small libraries, the regional libraries and the mobile libraries—to bring the level of service that people up there think they have a right to. I know that the funding mechanism which is in operation at present just barely meets the minimal requirements of small libraries in northern Ontario. I wonder about splitting this off to Citizenship and Culture as opposed to leaving it with Recreation, because reading is a form of recreation. In many communities in northern Ontario the two are synonymous, and I really do not know what was the rationale for splitting it off in the first place.

I realize that only the agencies, such as the Ontario Arts Council, the Royal Ontario Museum and the McMichael gallery, are going to Citizenship and Culture. I wonder how the government is going to rationalize that and how they are going to allocate funds on a realistic and fair basis between the two ministries.

In northern Ontario, where we have only 15 members out of 125 members representing four fifths of the geographic entity in this province, that is, everything north of the French River, I am wondering what kind of a shake we are going to get when competing with agencies such as the Ontario Arts Council, the Royal Ontario Museum, and the McMichael Canadian Collection. Those are the kinds of problems people out there, the client group which normally expects program delivery from this ministry, are concerned about.

Another concern they have deals with regulation 200. I am sure the minister is well aware of the ramifications of that. They feel it should come under Tourism and Recreation, rather than having municipalities and groups applying for grants to two ministries for the same building, and quite often for the same project. In my view, that is a legitimate apprehension. They also feel that Tourism and Recreation should be the lead ministry in dealing with municipalities and local groups in all matters pertaining to

recreation, tourism and culture, for the reasons explained earlier.

Another thing that occurred to me, while I was going over the three moves to reorganize and restructure three ministries, is that Tourism and Recreation should be part of the social development policy field, rather than the resources development policy field. One could argue that we are dealing with human resources, but we are talking about the social aspects of the way we structure society in this day and age. If one is talking about culture, recreation, sport or fitness, surely it is more appropriate that they come under the umbrella of the social development policy field, rather than the resources development policy field.

In setting up this new ministry, the minister is painting a very glowing picture about the potential for program delivery, even though we are splitting it up into so many components that it is going to be very difficult for the client group out there. In the minister's opening remarks he said, "I recently met with members of my parks and recreation advisory committee, and I gave those dedicated men and women my personal assurance that their needs will not be neglected in the new ministry, and that, indeed, they will find their programs and interests enriched by the union."

I may be misreading what the minister is saying here, but I do not think so. If he has a parks and recreation advisory committee, I am sure it must have expressed to him its concern about the Parks Assistance Act not coming over with the new ministry as opposed to staying in the Ministry of Natural Resources.

**4:30 p.m.**

I would be very surprised if they did not make that recommendation to the minister. The schedule contained in the bill shows the acts this minister will be responsible for: the Community Recreation Centres Act, the Historical Parks Act, the Niagara Parks Act, the Ontario Lottery Corporation Act, the Ontario Place Corporation Act, the St. Clair Parkway Commission Act, the St. Lawrence Parks Commission Act and the Tourism Act, but not the Parks Assistance Act.

I hope that was an oversight. If the minister reads it, he will see the Parks Assistance Act is all about assisting municipalities and groups within municipalities with the setting up and the operation of parks within or close to municipal boundaries.

Another thing which I would like to question the minister on, and it is at the top of page 5 in



the statement he gave earlier this afternoon, is that the new ministry encompasses many government-operated attractions including Ontario Place, Minaki Lodge, Old Fort William, Huronia historical sites, the Thunder Bay ski jump complex and the three parkway commissions—Niagara, St. Clair and St. Lawrence.

I happen to know that the Niagara Parks Commission operates an excellent facility. Over here, in a previous incarnation, I had the obligation on many occasions to take groups of visitors from other jurisdictions to Niagara and I needed only to call Jim Allan and one or two of his colleagues and they always put their best foot forward and were doing an excellent job.

I have driven through the St. Lawrence complex; I have not been to the St. Clair complex, but I want the minister to know that with the Minaki Lodge complex he is inheriting a can of worms for reasons that are well known to everyone who has studied this problem. A case is now before the courts with regard to the ownership or the liabilities inherent with that operation.

The Thunder Bay ski jump has an excellent 70-metre jump and a world-class 90-metre jump and is the envy of most jurisdictions throughout the world, but it does not make any money. The minister is going to have to continue to put money into this so it can be a showplace for international competition and a training hill for those aspiring to world-class competition.

He is inheriting some problems and some headaches and I suppose that is the nature of one's responsibility in government.

I want to get on to some comments or some reflections that I had as a result of the minister's opening statement. The minister said: "Tourism's impact on the lives of all of us will continue to grow. It has been predicted that by the year 2000 tourism will be the largest industry in this province."

I do not know. If people are going to be conservers, if they are going to be satisfied with canoeing, if they are going to be satisfied with photography or if they are going to be satisfied with bird watching that could be the case. But I doubt very much if we are going to attract people from southern Ontario, from other jurisdictions in Canada or from the United States and elsewhere all the way up to northern Ontario for canoeing, backpacking, photography or bird watching. They are going to be interested in fishing, hunting and all the things we have that are marketable in northern Ontario to attract tourist dollars from elsewhere.

I engaged the former Minister of Industry and Tourism, now the Minister of Health (Mr. Grossman), in a dialogue of this nature during his estimates last fall. Needless to say, he was primarily concerned about the economy because he had responsibility for industry as well as for tourism.

He was concerned about layoffs in the manufacturing sector, particularly the automotive sector, and when I started talking about the impact that tourism could have on the economy in Ontario he did not have very much to say. It was, in a very real sense, a poor country cousin in that ministry's overall responsibility for industry and tourism.

This is why I am sure the northern Ontario tourist operators are elated that they are now out from under the wing of that very large, very nebulous, very insensitive and impersonal entity that we used to call the Ministry of Industry and Tourism. Now that we have the Ministry of Tourism and Recreation I think they see themselves with a much higher profile and they will get this minister's attention to a much greater extent than if he had responsibility for all the industrial woes that face the people and the economy of this province.

But if the ministry is to have the kind of impact the minister thinks the tourist industry can have, and if it is to offer the kind of opportunity for increasing tourist potential between now and the year 2000 that he thinks it can, he is going to have to work very closely with the Ministry of Natural Resources.

Because unless they can protect our fish and our wildlife resources the so-called tourist operator in northern Ontario is not going to have very much to sell, unless we want to go to a nonconsuming tourist. If he is prepared to backpack, be a canoeist or be a bird watcher, that is not where tourism is at in northern Ontario, and I am sure the minister knows that.

**4:40 p.m.**

We must protect, maintain and build upon what we have to offer to the average tourist who is going to spend several hundred dollars to drive to northern Ontario and then fly in from the end of a road somewhere to one of those remote fishing or hunting camps. We want to make sure there are some fish for him to catch and some wildlife for him to shoot, if that is what he is after.

We know the initiatives that have been taken by the Ministry of Natural Resources over the past two or three years to try to catch up on the management of those resources that are so



critical to the tourist industry in northern Ontario. It will not happen just by the minister saying it, unless there is a good deal of co-ordination between this ministry and the Ministry of Industry and Trade which has control of the purse strings. This minister now has tourism but he does not have the purse strings with regard to providing incentive funding, grants and loans to the tourist industry.

Where is the Ontario Development Corp.? Where is the Eastern Ontario Development Corp.? Where is the Northern Ontario Development Corp.? They are not within this ministry.

The minister still has to talk to his friend the Minister of Industry and Trade (Mr. Walker) on behalf of those people in the tourist industry who can improve their facilities and take advantage of the tourist potential in areas where it still exists, if the government is going to meet its target that by the year 2000 tourism will be the largest industry in this province.

Why did the minister not take that component of NODC operations with him into the Ministry of Tourism and Recreation? It is tough enough now for us in northern Ontario to try to impress upon NODC and ODC that they should be spending funds in northern Ontario to enhance the tourist industry.

That is why, when we look at the overall restructuring, whether it be industry, tourism, recreation, culture or sports, it never was one-stop shopping. Now it has become so confusing I am going to have to phone Bob Secord every morning and say: "I have this problem. Which of the three ministries should I call?"

I am not saying it is an impossible situation; I am just saying there are a lot of people in Ontario who have not had the answers they are entitled to. When we get these joint pronouncements by the Minister of Tourism and Recreation and the Minister of Citizenship and Culture, one wonders why they would even use the verbiage, the so-called one-window system through the community where there will be consultants from two different ministries presumably at the same location in the same building.

I want to come right back to where I started. Culture and Recreation was working very well. Do not take my word for it. Go to every community in northern Ontario with the exception of Pickle Lake—the government is still holding tight on that—or with the exception of Nakina.

The minister and I have had private conversa-

tions about this. He still owes me two on that. But with those two exceptions, Culture and Recreation was working extremely well, thank you very much. Manitouwadge, Marathon, Geraldton, Longlac, Schreiber, Red Rock and any one of hundreds of communities across Ontario have benefited handsomely through the programs that were made available through the Ministry of Culture and Recreation.

A lot of people out there think the government has done something to disturb that. They are not convinced that this reorganization is going to enhance things one bit. For the name of the game in the municipalities throughout Ontario is not capital expenditure any more. They have caught up with the backlog and have all they can handle. All they want now are some operating grants because they have spent a lot of their money and a lot of government money in providing these excellent facilities across the province.

If the reaction I see when I go to these communities is indicative of the situation generally, I would have to say that the majority of them are scratching their heads and asking where they are going to get the money to operate these facilities. The minister is going to have to go back now and assure them that he does not intend to let fall into disuse those buildings which resulted from the hard work of the local people and of the Ministry of Culture and Recreation.

He cannot afford to let those facilities lie idle. Somehow we have to get the human and financial resources to make the best possible use of them, which is the use for which they were designed and built in the first place.

I know the minister understands that. He has given me a personal commitment that this is where he is going to devote his energies with regard to recreation, sports and fitness. But culture in rural Ontario and in northern Ontario should be part of it and that will not come about with this reorganization. So it is with regret that I say we will have to oppose this legislation.

**Mr. Nixon:** You may recall, Mr. Speaker, when you were following the politics and election campaigns before 1975, that I was what one might call intransigent about increasing the size of the cabinet. If things had worked out differently it was our plan to reduce the size of the cabinet dramatically.

Some of my own colleagues were a little bit put out when they saw some of their favourite niches being abolished by policy if not by the vote of the electorate, but one will understand

at I have a certain amount of unwillingness to support legislation which is going to increase the size of the cabinet still more.

My colleague the member for Victoria-Haliburton (Mr. Eakins) has been talking to me, our caucus and anyone who would listen, since he was first elected, stressing the importance of tourism as an industry and the inadequacies of his support from previous ministers who held his job in connection with other responsibilities that they had. So it is difficult for me to put the arguments of my colleague together with my own propensities.

I think probably my colleague will win, and I am not going to oppose the formation of the new ministry, but my own feeling would be that as long as the Progressive Conservative Party continues to win elections by bare minority situations by vote, sometimes majority by seat, it can probably form the government any way it wants and leave it for us to bring in the kinds of reform that will serve the people, the tourism industry and the taxpayers better in the long run.

4:50 p.m.

I am not going to oppose the bill, even though I think the cabinet is too big and unwieldy and the Premier (Mr. Davis), in his effort to pay off all his personal commitments, is really establishing a very large cabinet. When I think of it being that big, even bigger than the New Democratic Party caucus, and how unwieldy and recalcitrant they are when they are meeting privately, I just imagine what a can of worms that cabinet room is by the time they sit around there arguing all day on the basis of whatever it is, and however it is, they make decisions.

I think the Premier has finally learned how to keep them in line. They get a report from the pollster every Tuesday night that he reads to them Wednesday morning and they make decisions based on what Mr. Gregg recommends for the previous seven days. That may even be why they have brought forward this bill for a Ministry of Industry and Trade, because they have only to look at the state of New York and the fantastic success it has achieved with the "I love New York" program.

We have seen the previous minister, now Minister of Health (Mr. Grossman), in his rather feeble attempts to squeeze money out of the Treasurer (Mr. F. S. Miller) and the Management Board—oh, the Treasurer is coming to life—to support some sort of program that would keep Ontario in the ball park in attracting tourists.

The "We treat you royally" program, with all its buttons and bows, was a very weak answer to the "I love New York" initiative, which somehow grabbed all sorts of attention and success. As a matter of fact, when I look at the New York ads and spots on television, I do not believe I have ever seen more effective advertising on television.

I hope the minister, with his well known imagination and innovative techniques, will be able to bring forward something that will put Ontario in something like the same category, maybe "I love the Ottawa Valley" or something like that.

I agree with what the member for Victoria-Haliburton has said, that we ought to be looking at making this our major dollar earner in the near future. It has always been kicked around as a political football with the ministers over the years rewarding their friends with special Ontario Development Corp. grants and loans. One of the major hotel-motels in St. Catharines, for example, is a classic case in point where one of the larger ODC—

**The Deputy Speaker:** I think it is only fair that you share with members of the assembly what the minister has given you.

**Mr. Nixon:** Yes. The minister has already shown me his innovation, which is another of these pins saying, "Ontario—yours to discover!" That is not bad but it does not grab me quite the same way. I still feel like going to New York state because something about it draws me inexorably to the Finger Lakes, the ski areas, the night life of New York City itself and all the rest. Mind you, we have all sorts of alternatives right here in our own city, in our own ski areas and the beautiful terrain in Muskoka.

The only person from New York who is going to Muskoka is the chief fiscal officer for Salomon Brothers. Even there, he is going to be dealt a low blow, because the government is not going to get him past the Sheraton Centre. He is coming up here to speak to the annual meeting of the Muskoka PC Association and he is not even going to get to Gravenhurst. I think that is too darn bad.

The minister might tell him when he is up here that I am storing away in my mind what Salomon Brothers is doing for this particular Treasurer, who is just a little blip on the history of Ontario's recorded evolution. For the first time since 1910, Salomon Brothers are going to be out of a job as far as Ontario is concerned when we get to that particular item, if I have anything to say about it. On the other hand, the



Treasurer will have a bank account bulging with bucks for his leadership campaign. I guess that is not exactly on the subject of this particular bill.

**The Deputy Speaker:** No, I guess not.

**Mr. Nixon:** The Treasurer was talking about Muskoka. It is a great place in spite of some of its problems. It really is. It is a beautiful, gorgeous place, but Georgian Bay is even more beautiful and even more gorgeous. Somehow or other the tourist people in Ontario do not push that.

As a matter of fact, I think they pass the word around that the water is polluted and it is overcrowded because they want to preserve it as a special area for the Premier and his chief fund-raiser. They are over there at Georgian Bay and they do not want a lot of unwashed riff-raff pushing into their beautiful preserve, so we are not really advertising that in New York, Michigan, Germany or wherever we expect to get our main influx of tourists from.

There is one thing I want to mention that should appeal to the minister particularly. I know he will be looking along with his advisers for a way to put his own imprimatur on our tourism program. The minister can just go on from what the former Minister of Industry and Tourism did with the "We treat you royally" and "Ontario—yours to discover!" and that stuff, but it has occurred to me he ought to start with a sharp knife.

I am not sure whether we still have tourism districts in the province. As one drives away from Stratford, Ontario, and down Highway 2 towards the beautiful town of Paris, there is a sign that says, "You are entering festival district." I always think: "Have they got that turned around? Have they got that sign on the wrong side of the road? What the devil are we known as festival district for?"

Stratford is the festival place. Maybe one could say that Niagara-on-the-Lake is too, but it shows the inadequacies of spending time and money in hiring consultants to draw lines on maps for so-called tourism areas or districts.

There was a strong element of initiative among many government ministries a few years ago when they all decided they had to disperse their empires across the province. They did not reduce their staff at Queen's Park, but they reproduced it with little ministerial colonies based on boundaries for district administration. Tourism was one of the glaring examples, if not one of the leaders, in that program.

I can remember the furore and the financing

that went into the establishment of tourism advisory councils in each of these groups. A lot of well-motivated people spent hours of their time, sometimes with the assistance of the ministry with a few bucks for lunch or something like that, to develop some tourism handbooks for the area. I recall people in my own community trying to list the highlights of our area.

I am not sure what happened to that. It must have turned up in some publication. They are great at publishing beautiful books and things. I am not going to spend a lot of time on it. It costs a lot of money but its effectiveness is not much. The minister has to have something to put in the hands of the tourists that will draw them into areas where they are going to spend money and also have a good time.

I appreciated what the member for Lake Nipigon (Mr. Stokes) said about people who go fishing, that we would like them to catch fish. If they go hunting, we would like them to shoot a moose or whatever it is they are going for. In Toronto, the hunting is quite productive, I am told, and we do not have to help them in any way. I am talking about raccoons.

This is a little narrow in scope but it is an example of what the minister might do. I think he should do away with all these regions and use the concept, which I think is a good one, of Ontario's heritage highway. Is that what it is called? There is a sign with a wagon wheel and everything. It leads one along where the early settlers came from Lower Canada into Upper Canada Village and Kingston.

It goes right through. It forms a good basis if a person wants to travel through Ontario with a map and a folder that is comprehensible and comprehensive, indicating where to stay, where to eat, what to look at, where to take time and what side trips are useful. I like that idea. I am a family tourist myself, although my family is now grown up.

I certainly hope, by the way, they enjoyed the trips. We dragged them up through Muskoka. We hired a trailer and took them across Highway 17 and back on Highway 11. We would look in the back seat and they would be chewing bubble gum and reading comic books all the time. I would be saying, "Look at that; isn't that great?" I really hoped that they enjoyed it, now that I look back on it.

**5 p.m.**

The basis of the heritage highway is a good one. We should have something like the Trail of the Black Walnut, which should ring a bell in the

minister's mind, or, as I would prefer to call it, the Mohawk Trail, which would go up the Grand Valley, through Haldimand, named for the governor who granted the lands to the Indians—it is the largest Indian reserve in Canada—where the federal government has done a good deal to improve the situation by assisting the Indians in building a new bridge across the Grand River. The crafts and facilities there are extremely interesting and saleable.

The Minister of Intergovernmental Affairs (Mr. Wells) was talking to me a few minutes ago. In one of his previous incarnations he went to Ohsweken and the Six Nations Reserve to announce a new education program. They presented him with some indigenous pottery, beautifully designed, full of the history and heritage of that Indian community, and I am sure he treasures it. This pottery is turned out there and is of superior design and execution. Its cost is low. Tourists coming through there can take away not just a little plastic pin but something they can put with pride on their mantelpiece and expect to improve in value because it is basically a work of art that is produced by our own people, who I do not believe we are supporting sufficiently when we want to expand their economic opportunities.

The Mohawk Trail, or the Trail of the Black Walnut, led the Indians, the United Empire Loyalists, the German settlers, the Hanoverians, and others who came into the Ottawa Valley and the Grand Valley years before; and it would lead the tourists from the state of New York, who have had enough of the "I love New York" approach, across the border at Niagara. It would lead them somewhere other than the fleshpots and eateries of downtown Toronto or the expensive sybaritic luxuries of Muskoka to the areas where real people live, where real culture has been unfolding since 1770 and before, and where the minister himself had his cultural roots. Even if he missed out on some of the work ethic stuff, at least his cultural roots are there.

It is a suggestion that we should do away with that baloney about these tourist districts, which in my view are artificial and confusing, and base it on trips people can take. Of course, it is for our own people too.

One of the most marvellous breakthroughs, one that appeals to me obviously, is the quality of the restaurants in that area. Probably it is the distant relatives of the minister himself who have established some of the very best restaurants of a unique type. It is not all that plastic

hamburg crap that one gets in every town, but the kind of cooking the Mennonites are famous for, not only quantity but also quality.

Interjection

**Mr. Nixon:** My French friend here is prepared to differentiate on a cultural basis what our predilections are; he is correct in part, but I also like quality.

A restaurant and accommodation guide, that sort of thing, would be extremely interesting for our own people. The restaurant explosion is an old story in the main urban centres, particularly in Toronto, but one could drive through the countryside and enjoy great food and sightseeing. A little bit remains for overnight accommodation, but that is going to improve as well.

Some people here spend holidays, brief though they are, in Florida, and I am one. I am always amazed at how attractive their facilities are and how friendly the waiters, waitresses and the people in charge of accommodation are. It is not one of those learned things where they paste on a plastic smile and give you the "Have a nice day" routine. They are real people and do not seem to be anything but that.

I may imagine it, but I have never gone into a restaurant in Florida where I felt I was given anything but full measure, pressed down, which is a phrase that would appeal to the minister. If one goes in and orders a dozen oysters, they always serve 13 or 14 in the half shell and on ice. They are fresh, cold and big and only cost \$1.50 or something. Up here, if you go into a restaurant in Toronto and order half a dozen oysters, you are lucky to get six little wizened oysters that had to swim all the way from Prince Edward Island and usually costing a minimum of \$4.25. I really resent it. We have so much to learn from the real tourist places.

**Hon. Mr. Norton:** You would be shrivelled up too if you had to swim all the way from Prince Edward Island.

**Mr. Nixon:** Maybe I should try it, at least part way.

The concept of using the heritage highway is one I would like to seriously put to the minister. It would be a good way for him to bring forward a new approach, some overall business about "We treat you royally" or "Ontario—yours to discover!" Those slogans are okay, but they still do not convey that electrifying subliminal concept of "I love New York." Maybe if he puts his mind to it, the minister can do better than his predecessors. He would get a lot of support from our side, because we think not only that



there are there dollars to be made in our economy but also that there are improvements to be made in our lifestyle.

**Mr. Samis:** Mr. Speaker, it is always nice to follow the pithy, picturesque comments of the member for Brant-Oxford-Norfolk (Mr. Nixon). I must say I thoroughly enjoyed his instant tour of the province. We may be heading for the Maritimes with our two-year-old and I am going to get prepared for the comic and bubble gum routine. I am sure he can give me a lot of advice. My only disappointment was that the member did not hum at least one chorus of "I love New York." With his background and sense of artistic flair, he could have done that for the benefit of the minister.

I want to congratulate the minister on his new ministry. This obviously represents a great ideological divide in the history of the Conservative Party in Ontario, especially the Davis regime, as he well knows. For this minister to be able to escape the ideological clutches of the Reaganite-Goldwater-Milton Friedman member for London South (Mr. Walker), I am sure is a tremendous breath of fresh air, freedom, adventure and common sense. He may be able to do something in conjunction with private enterprise instead of trying to turn the clock back a full century or a century and a half, as the member for London South seems to want to do. I trust he will be able to develop some new ideas, some new concepts and some new vistas for the tourist industry in Ontario with his newfound freedom.

I think my colleague the member for Lake Nipigon (Mr. Stokes) pretty well covered the waterfront in his speech on the recreation aspect, so I will pass on that and focus on a few issues that relate to the tourist side of the new ministry.

I must agree with my colleague the member for Brant-Oxford-Norfolk. I think the minister managed to confuse everybody as to who is responsible for what in the new division of the old Ministry of Culture and Recreation between the Ministry of Tourism and Recreation and the Ministry of Citizenship and Culture. The average applicant will not know who the hell to deal with. Even some of the bureaucrats have a hard time explaining who has what, who is responsible for what and where to go.

I trust the new minister will do something with his new freedom to try to clear up the confusion that probably exists in every region of this province. I hope the minister will take advantage of his new portfolio to lobby the

government in certain areas that affect tourism specifically on the whole question of the environment. Too often under the old Ministry of Industry and Tourism the latter was obviously put in a very subservient position to the needs of what we generally call hard industry, or the manufacturing industry, to the detriment of tourism.

Now that he has been liberated from that situation, I hope the minister will speak out in cabinet and not be afraid to speak out in public in the interests of the environment on things such as acid rain, which affects thousands of lakes in this province, endangering lakes, rivers, sport fishing and all sorts of other things. Obviously the Minister of Industry and Trade (Mr. Walker) will not speak out on that. The Minister of the Environment (Mr. Norton) always seems to be compromising, flip-flopping all over the place. He does it all the time. All his predecessors did the same.

With his sterling track record in the past five years in this House, I hope this minister will be an outstanding, committed spokesman for a clean environment. Whether from Canada or the United States, tourists care about a clean environment. My colleague the member for Lake Nipigon has extolled the glories of northern Ontario and the outdoors. One of the priorities of the new minister should be to emphasize what a clean environment can mean for the tourist industry in northern and eastern Ontario.

**5:10 p.m.**

**Mr. Wildman:** Maybe he will clean it up the way he cleaned up the McMichael collection.

**Mr. Samis:** God bless us.

I will refer specifically to the Great Lakes in southern Ontario, where there is considerable tourist and recreational potential. So far as the Niagara River is concerned, I trust the minister will talk to the member for Kingston and the Islands (Mr. Norton), when they are together in cabinet, about the disgraceful conditions there. I hope he will lobby long and hard on behalf of the tourists and the people who want to make use of Lake Ontario, in an effort to rid it of dioxin, polychlorinated biphenyls, Mirex and all other forms of industrial pollution.

In eastern Ontario, the St. Lawrence and Ottawa rivers still need considerable cleaning up to be suitable for recreational and tourist use. My colleague the member for Prescott-Russell (Mr. Boudria) knows what the pollution is doing to the river in Hawkesbury, which is not



from the minister's riding. I hope this minister will lobby in cabinet to get the state of New York to do its share of work to clean up the Lawrence River, and to get Quebec to clean up the Ottawa River, so that those two rivers will become valuable recreational and tourist attractions. It is obvious that clean air and clean water are essential to the success of tourism.

My colleague has mentioned the whole question of rest areas in this province. The states of New York, Vermont and New Hampshire, for example, seem to have a well-co-ordinated program of rest areas, which are very necessary for families. Truckers also make considerable use of them, but I think it is families who really appreciate these conveniently placed rest areas along major highways. The absence of similar rest areas in Ontario is a major inconvenience to people from south of the border who travel in our province.

I hope this minister will put a little more emphasis—and I give credit to the Ministry of Industry and Tourism, which has done something about this—on the whole question of wintertime tourist potential. We seem to put almost all the emphasis on the summertime. Last year some attention was given to things like the various facilities across the province for cross-country skiing, ice fishing and the various winter carnivals that have sprung up across the province. Surely in a country with our climate we can increase emphasis on the value of wintertime activities in Ontario.

The trend that started in Quebec City has extended to other communities in that province. They have developed a flourishing culture based on winter carnivals. The Tommycod Festival in Ste. Anne-de-la-Pérade and the carnivals in the Gaspé and in Lac St. Jean have become major tourist attractions in what is normally a slack tourist season.

In Ontario now there are communities where that type of activity is in an embryonic stage. These communities are prepared to develop an industry based on skiing, ice fishing or just the idea of enjoying the outdoors in the wintertime, casting aside the old image of winter being a barrier to outdoors activity.

My colleague the member for Victoria-Haliburton (Mr. Eakins) referred to the announcement, which I believe the minister made yesterday but which we have not yet received, about the hotel complex at Morrisburg. He raised valid questions about consultation with the private sector in that area and about the philosophy of the government concerning land

use by the private sector. I trust there also will be some consultation with the people of my own community, where there is a plan afoot to create a major hotel in downtown Cornwall.

This minister has had experience in the Ministry of Culture and Recreation and will recognize the need at Upper Canada Village for the long-promised summer theatre. It is true that we tried that for two years and that there were problems, but in the interest of the long-term tourist potential of eastern Ontario we must develop some other attraction besides Upper Canada Village, especially one with a nighttime focus.

This government, in conjunction with the private sector, could reactivate a summer theatre attraction east of Kingston, probably in the Morrisburg area; and perhaps it could give thought to the idea of a hotel complex somewhat east of the Morrisburg area which would create jobs in the access area between Morrisburg and Cornwall, where there is a greater population.

Finally, I hope this minister will see to it that for tourists coming into eastern Ontario from Quebec, which I think he recognizes as a major market for tourism, that every office will be properly and adequately staffed with bilingual personnel. It is not good enough to advertise in a paper, as he did in Cornwall for his tourist office in Lancaster, "Bilingualism an asset but not necessary."

There are more than two million people in the Montreal area, probably a population of about three million, with access to Highway 401. At the first major tourist office they come into in Ontario, they want to get information. And what do we have? We have a staff that may not necessarily be fully bilingual. That is not acceptable.

If he compares his facilities in Lancaster, which is the major tourist office they encounter when they cross the border, with the Quebec office on the other side, we are rather sadly lacking in facilities, staff and potential as opposed to what they have done to develop their various facilities, physical, staff and printed.

I think that office needs upgrading, and I would hope in the member's tenure as minister he will do something to that effect.

Beyond that, I wish the minister well, now that he has escaped the clutches and the grasp of the member for London South.

**Mr. Yakabuski:** Mr. Speaker, I have listened with interest to a number of the speakers who have participated in the debate concerning Bill



41 and with special interest to our good friend—I am going to call him a good friend—the great member for Brant-Oxford-Norfolk (Mr. Nixon), because I think he gave an interesting rundown of some of his observations, not only as a former leader of Her Majesty's loyal opposition but also as a citizen of this province and as a family man.

I was a little disappointed when he did not catch on to that very catchy slogan we now have, "Yours to discover," because in the minds of many people across this province and far beyond it is a very good slogan and it is working. I believe that the member for Brant-Oxford-Norfolk perhaps must have been so busy with other matters in September and October of 1967, again in October 1971 and in August and September of 1975 that he missed the point in his travels across the province.

I want to remind the honourable member that "Ontario—yours to discover!" is a terrific slogan and is making great marks for this province. It is going to result in a substantial tourism increase, and already has. I want to tell the member, now that he has more time on his hands and he is not shouldered with the onerous duties he had in years gone by, that he should take time out from the farm and travel beyond. He should travel into the Ottawa Valley—was it he who mentioned the great Ottawa Valley?

I will bet that during his travels and his busy times he did not have time to stop at the Wilno church, which was erected by the Polish marginal farmers of that community in 1936. It would be impossible to erect an edifice like that in 1982 with the means at the disposal of the parishoners of Wilno today. That is one of the things that the member could discover.

I am just talking about the Ottawa Valley, but there is the whole province. I think all of us have a lesson to learn, because there are so many parts of the province that most of us have yet to see; there are so many little places, nooks and crannies that are of great interest and are so important. We all should be taking more time to visit them.

**5:20 p.m.**

I want to go on and talk a little bit about the Ottawa Valley. I am sure that the member has not visited Bonnechere Caves, along the Bonnechere River, a great place that thousands of tourists come to every year. I might mention that we recently completed a development road with a hard top on it so that facility might be served even better.

We also have Algonquin Park, especially the interior. But there are virtually dozens of parks

in Ontario besides Algonquin that hold many interesting things for people of this province and for people from anywhere in the world.

I am sure he did not go down the mighty Madawaska River, whitewater canoeing, which has become popular and which is something that people are discovering. It is "Yours to discover," and they are discovering it. It is becoming an ever-increasing recreational factor, especially in the Madawaska valley.

If whitewater canoeing on the Madawaska is not exciting enough, or does not stir his innards enough, then he could go whitewater rafting on the mighty Ottawa River, where last year some 38,000 people—

**An hon. member:** Drowned.

**Mr. Yakabuski:** There has not been one casualty in five years. Some 38,000 people participated in that ever-growing recreation and it is expected that this year there could be anywhere from 60,000 to 80,000 people.

If one is talking about things to be discovered we have virtually thousands of things that have yet to be discovered by many people in this province and by many people far beyond.

**Mr. Stokes:** Let's hear it for Killaloe and Haliburton.

**Mr. Yakabuski:** Yes, we can talk about Killaloe, because Killaloe is a mighty fine village with great people. One of my predecessors in this Legislature, the late Honourable James A. Maloney, also knew Killaloe well. It is only about 20 kilometres from my home town. Killaloe now has a sewage system and Brennans Creek is again supplying great trout fishing.

The residents of Killaloe are enjoying their new sewage system, as their wells have been decontaminated; and while we were doing that, we had to put new pavement down because we ripped up all their streets. The people of Killaloe have benefited; yet someone had the audacity to say that we were paving our way to an election. But the people of Killaloe—

**The Acting Speaker (Mr. Cousens):** Is the honourable member speaking to Bill 41?

**Mr. Yakabuski:** I just mentioned—

**The Acting Speaker:** I would like the honourable member to tie his comments into the act.

**Mr. Yakabuski:** The former Minister of the Environment, the member for Burlington South, Mr. Kerr, just advises me that he received a letter of thanks from the village of Killaloe. I want to tell the honourable members that the

ople of Killaloe have said thanks to this vernment many times.

**Mr. Martel:** Not by sending you, Paul. An overnighter like you?

**Mr. Yakabuski:** Yes, you and I, Elie. They did both of us were overnighers, but we are a little more durable than that.

I want to congratulate the new Minister of Tourism and Recreation. It is a portfolio that should be in existence. I have to disagree with the member for Brant-Oxford-Norfolk, because I believe tourism is very important to this province. Recreation is also important, but tourism is so important that at one time I believe we had a department for tourism alone. I think tourism is even far more important in 1982 than it was then, and anyone who would talk down the fact that we need a Ministry of Tourism and Recreation certainly cannot be looking at our needs and objectives for the 1980s.

I also want to say something about the ministry I have the pleasure of being associated with, and I want to reiterate what my minister said early in March after the realignment, so to speak. He announced at that time that the 131 provincial parks will remain under the mandate of the Ministry of Natural Resources. He also said that our natural resources form and create the character of provincial parks; the waters, forests, wildlife and fisheries are an integral part of parks, park uses and interests. These interests cannot be considered in isolation.

While Ontario's provincial parks also provide an attractive tourism opportunity for the province, this is only one objective, albeit an important one, of the parks program. The Ontario provincial parks system, which has gained a worldwide reputation and recognition for its protection of natural environments and its well-planned and well-executed operations, has been dedicated to the provision of opportunities for outdoor activities for our residents and visitors as well as the protection of our natural habitat.

The primary intent of the ministry's land use planning program is to co-ordinate all land use programs so that the people of this province can receive the greatest continuing benefit from our natural resources. Since the provincial—

**Mr. T. P. Reid:** Mr. Speaker, he is reading his resources speech. It's the wrong speech. He only has two.

**The Acting Speaker:** The honourable member has been asked to tie his remarks in to Bill

41, An Act to establish the Ministry of Tourism and Recreation.

**Mr. Wildman:** He should get his act together.

**Mr. Yakabuski:** Mr. Speaker, there were those who felt that perhaps the entire parks system should go into the Ministry of Tourism and Recreation, and probably with some validity; but I feel that this would be a disruptive move. I think that having the St. Lawrence Parks Commission, the St. Clair Parkway Commission and the Niagara Parks Commission go into the Ministry of Tourism and Recreation makes good sense, but to include the others certainly would not be in the best interests of this province and its people, or of the visitors to this province.

I want to say something about the fact that there are those who feel—I guess the member for Lake Nipigon (Mr. Stokes) mentioned it—that the parks assistance program should come under the Ministry of Tourism and Recreation. I have to disagree with him on that, because we have reorganized our parks assistance branch and I think it is an integral part of the Ministry of Natural Resources.

We have regional offices of the Ministry of Natural Resources, and then across this province—

**Mr. Wildman:** What are you talking about?

**Mr. Boudria:** Mr. Speaker, again it's the same thing.

**The Acting Speaker:** I accept that the speaker is in order.

**Mr. Yakabuski:** The province is dotted with district offices of the Ministry of Natural Resources, and they have a staff who are very close and have a great rapport with tourist operators, tourist associations and the public at large. It would be a mistake to transfer the municipal parks from the Ministry of Natural Resources to the Ministry of Tourism and Recreation. It would probably—

5:30 p.m.

**Mr. Wildman:** On a point of order, Mr. Speaker: Am I to understand the member is suggesting tourism should be put under the Ministry of Natural Resources?

**Mr. Yakabuski:** Not at all. It would be a mistake to transfer or move parks from MNR to the Ministry of Tourism and Recreation because it would probably result in duplication as our MNR personnel are utilized to the fullest extent. If we were to move to put the Parks Assistance



Act under Tourism and Recreation, there would be duplication and greater cost.

**Mr. Stokes:** Read the Parks Assistance Act.

**Mr. Yakabuski:** I have. I happen to have read it. I want, before closing—

[Applause]

**Mr. Yakabuski:** Gosh, I guess I have 30 minutes yet, Mr. Speaker.

**The Acting Speaker:** There is no time limit on the length of the discussion.

**Mr. Yakabuski:** The more they interrupt, the longer I will have to stand here. If they find it irritating, they would be smart to stay quiet.

**Mr. Martel:** We are enjoying you so much.

**Mr. T. P. Reid:** The minister has to sit and listen to all this crap as well. He can sit and suffer.

**Mr. Yakabuski:** There is one other thing with regard to slogans and someone being so much in love with "I love New York." Many of us visited New York city and many parts of New York state prior to that slogan being instituted. New York city and many parts of the state of New York had degenerated to the extent they had nowhere to go but up. When they came along with the slogan "I love New York," it was only natural it was going to gain some momentum because they were at the bottom of the barrel. I am happy for them. It has done something for that state. To say that our slogan "Ontario—yours to discover!" is not effective is totally inaccurate.

I know this is a black day for my friends across the way as a result of the disaster in Saskatchewan yesterday. They are irritable today and they do not want to listen to reason.

I want to congratulate the minister on his new portfolio. I know he has the capabilities and the capacity to do a tremendous job and he will be doing that. I want to wish him well in his duties.

**Mr. Newman:** Mr. Speaker, I rise to make a few comments concerning Bill 41, An Act to establish the Ministry of Tourism and Recreation. I am pleased the minister has introduced this bill and I hope to make some constructive recommendations and suggestions to him.

Across from the political area known as Windsor-Walkerville and the other areas in Essex county, resides a large number of extremely interested citizens who have the dollars to travel, who could easily be enticed into Ontario to see the many excellent features, spend those Yankee dollars and add to the Ontario economy.

I hope the ministry will look seriously upon the Windsor-Essex county area. We are the garden gateway to Canada. We are the biggest city south of the United States. That is a fact because the city of Detroit is north of us, rather than south. There are untapped numbers of people just in the city of Detroit who could be enticed to come to Windsor even for one day. After tasting the hospitality, we can rest assured they will spread the word to their own people and increase those numbers. We have quite a few fairly good athletic events in the community that could appeal to the Americans. However, we are not as well known over there as we should be.

Not too long ago, there was a football championship that was televised practically all over the world. In my estimation, we lost a golden opportunity there by not selling the city of Windsor, Essex county and the province of Ontario. The Premier (Mr. Davis) was there, he saw the football game, he saw the numbers and he probably saw reruns of the game which was televised not only in the United States but internationally.

The ministry should have had employees from the Windsor offices sent to these functions. In this instance, I am going to refer solely to that football championship game. The Windsor office has to be put to more work or the size of the staff has to be increased so that when there are conventions in the Detroit area, we cover most of them to encourage Americans from all parts of the United States to sample Ontario hospitality. The minister has to use a very aggressive advertising campaign for that.

Probably there is no area in Ontario, other than the Niagara area, that has as many tourist attractions to satisfy every whim and fancy of the individual. When people cross into the Windsor area, either by tunnel or bridge, they are in a different country. Even though we speak the same language, "We treat people royally," as the slogan said last year. We do that in the Windsor area, the Essex county area and in Ontario.

However, we are not putting as much emphasis on those who are only an hour's drive, half a day's drive or even a day's drive away. Anyone living in Michigan, the northern part of Indiana or Ohio is within four to five hours driving time of entering Ontario. They can enter through the Sarnia gateway or through the Windsor gateway. We must sell ourselves to those people, but we cannot do it unless we go into their back-

ards to encourage them to come to the Windsor area.

Slaves found freedom in Canada by crossing from Detroit to the Amherstburg area years ago. There are many people who, in my estimation, would like to visit the black history museum in Amherstburg. The member for Essex South (Mr. Mancini) will likely express his desire to attract others to the Windsor-Essex county area. It was the area through which slaves entered Canada and found freedom, a very important event in the history of the United States as well as Canada.

I would like to see the minister sell Holiday Beach, the provincial park in the Essex county area. We do not like to see it overcrowded, especially those of us who live in the area. It interferes with our enjoyment to a greater extent, but let us sell it anyway and let us get the Americans to come over there; after that they will go to other parts of Ontario.

**5:40 p.m.**

We have islands in the middle of the Detroit River: Bob-Lo Island is an amusement attraction that has ferry boat service from Detroit as well as from the Canadian side. It is another nice way to spend possibly a day or a day and a half, generally a day. An American can get the boat in Detroit and in an hour or an hour and a half he is on Bob-Lo Island, where he can enjoy his visit and then can take that boat right back to Detroit.

We have fishing in Lake St. Clair. It is probably one of the greatest freshwater fishing areas in my part of Ontario. Large numbers of both Americans and Canadians fish in Lake St. Clair.

The city of Windsor, through the courtesy of the Italian community, is going to have a fountain erected some time this year right in the downtown area at the foot of Ouellette Avenue and the river front. It will be called the Udine fountain, actually donated by the city in Italy to the city of Windsor through the courtesy of the Italian community. In itself it would appeal to many people of Italian background living in Detroit and the area surrounding the city of Detroit.

We have probably one of the larger small-community multicultural groups in the city of Windsor. We cannot compare ourselves with Toronto, but for our size we have probably a greater variety of people from all parts of the world than many other cities and areas in Ontario.

Those are only a few of the tourist attractions

that might appeal to our friends across the border. Naturally, we also want to have the residents of Ontario come into our community and enjoy the sights, the sounds and the hospitality of the people in the area. Remember, Windsor and Essex county are known as the garden gateway to Canada.

We have ethnic festivals in the area. Around July 1 there is a freedom festival. There are all kinds of activities going on. The officials running some of these events would appreciate assistance from the ministry to appeal not only to the people in the immediate vicinity of Windsor but also to those in all parts of Ontario to come down and visit and enjoy our community.

Not only do we have these tourist attractions but we also have or are trying to develop more and more cultural activities. The Willistead Gift Gallery is just a recent development that was assisted by the ministry in earlier days, back a year or two or so ago, and is an excellent example of the architecture of the time. It is called the Walker—I forget; the name slips my mind, but it was the home of the founder of the Walker joy juice manufacturing company.

Mr. Speaker, in the local area there has been a group attempting to develop a heritage area around Mackenzie Hall. I understand the ministry has made some small contribution to it so it can develop that heritage area, taking over the hall, the building there. It was the home of the second Prime Minister of Canada, and named after him. Apparently, he was the architect, or had something to do with its original construction.

There are so many things in the Windsor area; the ministry could undertake to assist the local chamber of commerce and other groups to attract tourists into the province. In the area, we also hope to have a Canadian Football League franchise. When we do that, we will have an added attraction so that our American friends can come over and see real football played the Canadian way, on a bigger field and with players as capable, if not more capable, than a lot of American athletes.

I hope I have not used up too much time. I am sincere when I ask the minister to look at Windsor. We are having rough times today with the numbers of unemployed. He would be doing Ontario, and the residents of Windsor, a favour if he placed a little more emphasis on the western part of the province. If he looks at a map, he will see that Windsor-Essex county points like an arrow into the heartland of the



United States, within one day's driving distance of 50 million people, and he would see the market potential.

**Mr. Wildman:** Mr. Speaker, I rise to voice my concerns about the reorganization of the three ministries of which this bill is a part because, as my colleague the member for Lake Nipigon (Mr. Stokes) made clear, the division of authority among the three ministries in regard to tourism, recreation and culture is anything but clear. As a matter of fact, it appears that the government is creating a bureaucratic nightmare. Frankly, I do not understand why it is doing this.

Obviously, coming from the north-central region of the province, which includes within it the Highway 17 route along Lake Superior, north of Sault Ste. Marie, the North Channel east of the Sault and the Algoma Central Railway north of Sault Ste. Marie, tourism is of major importance to my area of the province. As other members have said, tourism is threatened, and has been threatened, by the acid rain pollution we have experienced over the last few years.

I suppose there are a number of ways of looking at this reorganization. From the point of view of tourism itself, it might be considered a move in the right direction to create a ministry that is solely responsible for tourism. I know the tourist outfitters in my area would probably be in favour of that. But frankly, when I look at the track record of this particular minister, I am a little concerned about the effectiveness of this ministry in speaking for the tourist interests of this province.

I am particularly concerned when I see the ineffectual approach of the Minister of the Environment (Mr. Norton) in terms of persuading his colleague, the Minister of Energy (Mr. Welch), to bring Ontario Hydro under control and do something about the acidic pollution, in the form of acid rain, which comes from that agency, the second largest polluter of this province.

5:50 p.m.

We might say, "Okay, if we have a Ministry of Tourism and Recreation here, we have a spokesman who will be able to carry a great deal of weight within the ministry to do something about acid rain, and to persuade the rest of his colleagues actually to move in a concerted way, not only to limit the acid rain pollution emitted by companies in the private sector, such as Inco, but also by the second largest polluter, Ontario

Hydro." The choice of this minister does not give me a great deal of confidence in that regard.

We all know that in my area of the province the Northern Ontario Tourist Outfitters Association carried out a study on the effects of acid rain a couple of years ago. It indicated that, if something was not done to turn the situation around in the near future, there would be a loss of approximately 6,000 jobs in the tourist industry.

We already have 140 or so lakes which have been effectively killed. We have thousands of lakes which are threatened. As my colleague the member for Lake Nipigon said, tourism in our area has been in the past and continues to be largely dependent upon the wilderness experience, hunting and fishing. Unless we are able to preserve our lakes and prevent the destruction of the fish life in those lakes, our tourist industry is in major trouble.

I will not repeat the comments made by my colleagues, but I really do not understand why, if we are establishing a ministry to deal with tourism, the control and operation of the parks in this province is to be left with another minister. I wonder how effective this ministry will be in dealing with that area. I know other colleagues have talked about that and I think the member for Sudbury East (Mr. Martel) also intends to speak about it, so I will not go on at length.

I will just say that last summer my wife and children and I had the opportunity to travel for three weeks in the Maritimes. I was concerned when I compared the types of rest areas we found in Quebec, New Brunswick and Prince Edward Island with rest areas along our highways in Ontario. The tourist offices in Prince Edward Island, and the rest areas in those other two provinces made ours look bad in comparison.

**Mr. Nixon:** Royal flushes.

**Mr. Wildman:** They had flushes which is more than a lot of the so-called rest areas in Ontario have.

With reference to the former Minister of Industry and Tourism (Mr. Grossman) and the Minister of Transportation and Communications (Mr. Snow), the municipal people in my area have indicated the need, first, to increase the number of rest areas along Highway 17 between Sault Ste. Marie and Sudbury and, second, to improve the quality of the rest areas already in existence.

The kind of response we get from the Minis-

er of Transportation and Communications is a little unfortunate: "We are studying that. We have a tripartite ministry committee studying it. We hope to do something about it in the near future, but we have restraint and we have restraint problems." As long as that minister has more say on what we do about rest areas along our highways in this province than does the Minister of Tourism and Recreation, we are not going to get far towards the provision of a service to the people who enjoy the roads throughout our province.

What the member for Brant-Oxford-Norfolk (Mr. Nixon) said about the highway systems in this province is accurate. Systems such as the *le voyageur* trail in northern Ontario, for instance, could be used and promoted in such a way that we could create a tourist experience which would be meaningful for those people who are not necessarily going to go into our part of the province just for wildlife hunting or fishing experience. That is a new opportunity. But as long as the Ministry of Transportation and Communications is responsible for rest areas, those people are not going to have the kind of facilities which will make them go back to their friends, whether they be in southern Ontario, Quebec, in other parts of Canada or the United States, and say, "We really enjoyed our trip."

What they will go back and say is: "The scenery was beautiful. There were a number of good establishments where we stayed, but along the highways, it was pitiful." That is what it is in this province. If one has to stop along the way for a rest—

**Mr. Stokes:** You have to walk on stilts.

**Mr. Wildman:** That is right. It is pitiful. I am not encouraged that this minister is going to be able to do anything about it.

One of the major things called for in the Board of Industrial Leadership and Development program in the last election, for the Algoma riding—although it was touted as something that would help Sault Ste. Marie more than Algoma—was the King Mountain project. The King Mountain project has been stalled because of lack of funds. This government committed \$19.2 million in terms of infrastructure; \$9 million immediately, which was based on the availability of private funding. Because of the high interest rates we are experiencing today the developers, who are Canadian, apparently have been unable to raise the funding in the private sector and they have gone to the federal government, to the Department of

Regional Economic Expansion, to ask for assistance.

I understand the minister who talked to them, Mr. Gray, has said that he is not interested in getting involved until they have another study—one more feasibility study after many—to show this is actually going to get somewhere.

**Mr. Stokes:** If Minaki is good, King Mountain will be twice as good.

**Mr. Wildman:** My colleague mentions Minaki Lodge. I suppose we can understand the reluctance of Mr. Gray to get involved with the major tourist destination development in northern Ontario that is being supported by this Conservative government, because of the experience at Minaki. I suppose it might be healthy scepticism. It is interesting that after all the investment in Minaki Lodge by this government, it had to go to an American hotel chain to operate the thing. This government would not even take it over. It had to hire them on contract, on the basis that this thing is not going to be profitable.

One of the problems we have with tourism in this province is that the responsibility for tourism has been spread out among so many ministries. Unfortunately, because of the way this bill has been set up, that is not going to change. As my colleague said about the Ontario Development Corp., the Northern Ontario Development Corp. and the Eastern Ontario Development Corp., the loans that are available to the tourist industry from those various agencies are not going to be controlled by the Minister of Tourism and Recreation.

How can the minister say this new bill will set up a ministry that will promote tourism in this province when he does not even control the loan funds available to the tourist industry? That is still going to be controlled by the Minister of Industry and Trade, so tourism will still remain second fiddle to the industry portfolio in this government.

If a tourist outfitter wants to get a loan from the ministry, I suppose he will now go to the Ministry of Tourism and Recreation and say, "What is available?" The ministry will say: "NODC has some loans available to you people, but unfortunately, we do not have anything to do with that. We can make recommendations, but the real decision is made by another minister." That is ridiculous. If this ministry is going to be effective, it has to have real control over tourism.

I have a few comments to make on recreation and culture, and I will make those after we resume at eight o'clock.

The House recessed at 5:59 p.m.



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Ontario LEGISLATIVE ASSEMBLY

No. 35

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, April 27, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, April 27, 1982

The House resumed at 8 p.m.

## MINISTRY OF TOURISM AND RECREATION ACT (continued)

Resuming the debate on the motion for second reading of Bill 41, An Act to establish the Ministry of Tourism and Recreation.

**Mr. Wildman:** Mr. Speaker, prior to the dinner break I indicated my concerns about the creation of this ministry, because of the bureaucratic problems I foresaw in relation to its mandate to deal with tourism in the province, and the problem I see in the ministry in charge of tourism not having direct control over the distribution of loans for tourist development under the Ontario Development Corp., the Northern Ontario Development Corp. or the Eastern Ontario Development Corp.

It does not seem sensible that the ministry responsible for the development of tourism in the province does not have control of that area.

I want to talk now about the creation of this ministry as it relates to recreation and culture and the Wintario program. It seems to me there is going to be a great deal of duplication and confusion resulting from the division of recreation and culture in this reorganization. As my colleagues have pointed out, what is envisaged is a situation where field staff responsible for recreational and cultural programs supposedly work for two different ministries out of the same offices.

If there really is a division, it is obviously going to be blurred and very confusing to the public and to municipal officials who have the responsibility of dealing with the ministry to develop recreational and cultural programs in their own areas.

I do not think the ministers involved have given anything like an adequate explanation of what their particular responsibilities are going to be, especially relating to the operation of and distribution of funds for Wintario. I understand this minister is going to maintain control over the Ontario Lottery Foundation. The new Minister of Citizenship and Culture (Mr. McCaffrey) is going to be responsible for the distribution of funds for cultural programs, and I understand libraries are going to be moved into that area as well.

It seems to me there is going to be a great deal of confusion. The joint memo from the two ministers explaining how this is going to operate is an example of the overlapping of jurisdiction and the confusion involved. If I were a less charitable individual, I might suggest the main reason for this reorganization is strictly to maintain a job in cabinet for this minister. I might think that, but I would not say it.

There does not seem to be any real philosophical or organizational reason to explain this division. As I said earlier, I think it makes sense for the tourist industry to have a ministry that speaks directly to its concerns, but in terms of the ODC tourist operation, this minister does not have complete control.

The new Ministry of Citizenship and Culture does not seem to have any particular reason for existing. It has not been demonstrated that the old Ministry of Culture and Recreation was not working; except, I suppose, for the hassle over the McMichael situation. Frankly, I do not think that was the responsibility of the ministry or of the organizational setup that we had then, but rather that it had to do more with the personalities involved in that particular situation.

I do not think the McMichael problem is in any way a justification for this reorganization; and we have not been told by the minister that this was in fact the reason. I am interested in knowing, and I hope the minister will be able to explain to us, the real reason so that we will all know why we are going to have an additional portfolio with an overlapping jurisdiction.

I will not prolong this, except to say if we find that the small municipalities of this province find it more difficult under this new bureaucratic setup to obtain the financial assistance they need for their recreational and cultural programs, we will all be the losers.

Once the problem of the guidelines for the Wintario program was sorted out after a long, difficult period of re-evaluation, a large number of communities in my riding, with the assistance of that program, now have recreational and cultural facilities which they would not have been able to finance on their own. They also have received a great deal of assistance from the field staff of the Ministry of Culture and Recreation. If this reorganization makes it more difficult for them to do that, it will be a tragedy in my view.

This may sound cynical but I cannot find a



philosophical or organizational reason for this change. I can only conclude that it is a political move related to some problems which the minister has had in the past, and a face-saving device for the cabinet. I hope the minister can allay the concerns I have in those areas and is able to justify this reorganization and explain how he sees his ministry will operate to avoid confusion and overlapping with the Ministry of Industry and Trade and the Ministry of Citizenship and Culture.

**Mr. Haggerty:** Mr. Speaker, I want to add my views on Bill 41, An Act to establish the Ministry of Tourism and Recreation. Perhaps I will be kinder to the minister than the previous speaker.

I believe it was in 1978 that my colleague the member for Victoria-Haliburton (Mr. Eakins) was appointed chairman of the Liberal task force related to tourism in Ontario. I think the final report of that task force suggested that the then Ministry of Industry and Tourism should be two separate ministries or government agencies; that tourism played an important role in Ontario in providing recreation and, more important, added to the province's economy. I think it is one of the most promising areas today in generating additional revenue for the province.

**8:10 p.m.**

Perhaps under the new bill we will have a new drive and new directions put forward by the minister. I am sure he will work in the interests of all areas of the province.

I happen to represent an area that is rich in history: the town of Fort Erie, the city of Port Colborne and the township of Wainfleet. This year, on July 13, the town of Fort Erie will be marking its 125th birthday.

The old fort is perhaps one of the oldest landmarks in Ontario. Fort Erie was established by a stockade or a trading post at the mouth of the Niagara River where the old fort is located now. It was founded by the early French explorers and the Jesuit fathers of the day.

It has quite a history. We have the battle of Ridgeway. It is called the battle of Ridgeway down there but I notice as one leaves this building there is a plaque that tells us about the battle of Limeridge. That was when the Fenians thought they were going to take Canada by force.

I have often said the Fenian raids on Canada, particularly in the Ridgeway area and Bertie township, helped foster Confederation. I think

it was one of the leading factors to bring about Confederation back in 1867.

The area has played an important part in the history of Ontario and early Canada. Fort Erie is noted as the gateway to Canada. The member for Windsor-Walkerville (Mr. Newman) talked about the Windsor tourist attractions. Many cars entering Fort Erie from Buffalo and the state of New York or Pennsylvania will travel on through to Detroit. There has always been a problem in designating part of the old Highway 3 as part of the Talbot Trail. I understand the ministry has now proclaimed the section from London or Chatham through to Fort Erie as the Talbot Trail. That has quite a history too. Some of the first settlers around the London district used it many years ago.

This will be of some interest to the minister, if he is interested in facts and figures. The Lieutenant Governor indicated in the throne speech that the government deserved much praise for the number of tourists that entered Canada during the past year. For example, the gateway to Canada, the Peace Bridge, carried 520,000 cars in 1979; in 1980, 831,000; in 1981, 957,000; 54,000 trucks in 1979, 53,000 in 1980, and 55,000 in 1981; 32,000 buses in 1979, and about the same figure in 1980 and 1981.

It does indicate that the flow of traffic still comes across the border at Fort Erie. Of course, in vehicles it is two-way traffic so we are looking at almost a million cars. It was up over the last two years in particular. I hear someone say, "Yes, the buck is there, isn't it? The reason is cheap gas." I am glad the minister is well informed on that.

The reason was we were dumping cheap gas at the time in the Fort Erie area and other ports of entry into Canada. It was a good deal for many Americans. If we had been on the bandwagon the last two or three years we could have had more dollars left here through proper advertising by the ministry to encourage visitors to spend a little more time here in Ontario.

Particularly if one is in the area around Buffalo, Niagara Falls, New York, Rochester, Pennsylvania and Ohio it is pretty close; you have another 150 miles from Fort Erie in the Niagara Peninsula. It has greater potential for tourism.

Not only the city of Niagara Falls but, as I mentioned before, the city of Port Colborne has perhaps one of the oldest landmarks in Canadian history, the Welland Canal. I believe it was 1832 when they rebuilt it and put in the early locks in the city of Port Colborne. Some of those

sites are still there today, and they should be set aside as historic sites.

I know of cases where the municipality has already filled in land over the top of some parts of the old locks, and I suggest that what remains should be set aside as historic sites so future generations can see this great engineering achievement of early Canadian history. It has played an important role.

Wainfleet is another area that has many beaches. The area from Fort Erie up almost to the Grand River would have excellent beach facilities if they were developed. I often think of the background and history. The minister being a good Lutheran, I hope he can help the government keep that promise.

I recall the study done by Dr. Jackson of the geography department at Brock University in 1967. He did a study of recreation development on the Lake Erie shoreline and he was very critical of the lack of government interest in that area, particularly in developing some of the shoreline for public parks.

I have sent the minister the brochure on Sherkston Beaches, which is perhaps one of the last remaining private beaches in that area. It has about two miles of excellent beach shoreline that can accommodate thousands of people. It is one of the best private camps in Ontario.

Even in the brochure the government puts out, the Traveller's Encyclopaedia of Ontario, this name is not even mentioned. I know the advertising the province does in this particular area, but for some reason Sherkston Beaches is not mentioned. In the new camping guidelines put out by his ministry even the Talbot Trail is not mentioned at all.

Speaking of the brochure, it is an excellent book, but I suggest it is a little too large. It would be better if it were cut in half so one could put it in the glove compartment or some place handy so as not to lose track of it. As it is it could be put in a briefcase or luggage. It could be a little thicker, but if it were a little shorter it would be easier to handle in an automobile and while travelling.

It is a good brochure, but it could be more elaborate in certain areas. I am talking about Erie riding again. Some areas are not mentioned there. It mentions provincial parks from, say, Dunnville west up to Haldimand and along the Lake Erie shoreline. I suggest more consideration should be given to the conservation parks in the area in something like this. It should include the whole Niagara district as one parcel of the tourist sector, then it could branch out

and go further west up into the Kitchener-Waterloo area.

It is great country there in the fall. I know a number of bus tours from my riding go up to Kitchener-Waterloo and Elmira, particularly the farmers' market there. It is great. A number of people from my area like to travel to that area almost every year. I have visited it on a number of occasions myself, and I find it very pleasant to spend a day there.

In his report, Dr. Jackson criticizes the fact that there is not sufficient access to the public beaches, and he goes on to say in the conclusions and recommendations: "A scene of contrast and of conflict has been presented. There are many contrasts: between overcrowding during the few short summer months and relative emptiness over the rest of the year; between cottages of the affluent businessmen and the more humble seasonal abodes; between settings which are embellished by cottages and those which have become a disgrace to society."

8:20 p.m.

In the village of Crystal Beach, many of the cottages have been renovated and some of them have been replaced with beautiful homes, but there is not sufficient access to the lake. Back in the 1960s, this government promised there would be more public access to the beaches.

The minister should go down to that area where one just has road allowances. There are a number of people flocking over from Buffalo to spend an afternoon or a day here in Canada and spend a few dollars; with the local population trying to get out on a 66-foot road allowance, which is all there is now in the town of Fort Erie, there is not sufficient access to the lake.

The problem has existed for a number of years and is going to exist in the future because, as the population of the town grows, people want to get to the lake for recreation purposes—for fishing, boating, water skiing and sailing. There is great potential in that area but there is a lack of public access.

I suggest to the minister that in the past the ministries responsible, the Department of Lands and Forests and the Ministry of Natural Resources, indicated to members of council this government would purchase land for public use where property was for sale, without expropriating it.

There is some property that lies east of the village of Crystal Beach in the hamlet of Ridgeway. It consists of about 75 acres with 800 feet of shoreline that has access to the lakefront and it is for sale. I have written to the Ministry of



Natural Resources and the minister has indicated to me by letter there would be some money available through the parks assistance branch.

Of course, that is only 50 per cent and one has to go back to the municipality. The municipalities are facing constraints today so it is difficult for them to pick up \$300,000. I suggested at one time it should be part of the Niagara Parks Commission. I think it would be a disgrace and shameful if it was used for development purposes.

This is the ministry's last chance to obtain any access to lakefront in the Fort Erie area if the minister is really serious about the tourists. A nine-hole golf course is included in the property and it is making money. The owners are finding it difficult, with high taxes and high interest rates, to finance the golf course.

I suggest to the minister, if he is interested in providing accommodation for tourists in Ontario, that he take a look at this area. There is money. He can get it through Wintario or other areas. I hope the minister will take a good look at this last chance to keep that promise of providing the area with a provincial park.

It has been mentioned there may be some confusion between tourism and recreation in the new portfolio the minister will be handling. I recall when I was on the standing committee on procedural affairs we had all the boards and commissions appear before the committee. We had members of the St. Lawrence Parks Commission and another parks commission and I think the conclusion of the members of the committee was that perhaps the parks system under the Ministry of Natural Resources should be removed and set up into parks systems across the province.

The ministry has the success of the St. Lawrence Parks Commission as an example. There is the St. Clair Parkway Commission. The money-maker is the Niagara Parks Commission, which should perhaps extend its boundaries around the Golden Horseshoe to take in provincial parks in the Haldimand-Norfolk area. I am thinking of Rock Point Provincial Park and Selkirk Provincial Park. It can go all the way to Windsor.

Perhaps in taking over the parks, he could set up a Lake Erie parks commission. There are many advantages for the ministry in doing that. Sometimes people dealing with the parks along the Lake Erie shoreline have to deal with a civil servant in the ministry in Toronto who may not quite understand the problems and issues facing these parks.

If the minister takes the three already established parks which are well received by the public, he could extend the park system around Lake Erie or even Lake Huron. There are a number of provincial parks there and if he could get interested people along that shoreline involved, I think they could be a great help to him at little cost. Many dedicated people in this area would be more than happy to be members of a parks commission and to share in some of the growth of Ontario.

That is a good avenue and the minister should be looking at it. If he cannot get the Niagara Parks Commission to go along the Golden Horseshoe from Lake Ontario to Dunnville, Selkirk and that area, he is missing a golden opportunity to make this one of the most attractive tourist sections of Ontario.

It is close to the heart of the largest American population and it is close to the city of Toronto. In fact, many people from Toronto are now heading for the peninsula on weekends instead of trying to beat the heavy traffic through Barrie to Georgian Bay. A trip of 85 or 100 miles to the peninsula can be more easily accommodated in a short weekend.

The minister should be looking at taking over all the provincial parks. He could do the same thing in the Lake Superior area. He could set up a parks commission there and in other areas throughout Ontario and let the local people have some say to help him develop these areas in the best interests of the local communities and the province as a whole.

He has a well established precedent that this is the area he should be developing.

There are other areas I could get into on this bill but we on this side do support the bill in principle. We hope he will at least take note of some of our comments. If he cannot include them in the bill this year, perhaps next year through regulations he could develop some of these parks in the province. There is great potential for doing so.

The high cost of gasoline in the province as it relates to our neighbours to the south who are paying 99 cents a gallon—the equivalent of four litres here—perhaps this area of taxation is scaring away a number of the tourists.

The matter of pollution has been mentioned. I heard on the radio tonight that the Minister of Energy (Mr. Welch) has approval from the National Energy Board to export energy from Nanticoke to the Pennsylvania utilities. One of the comments was that there was no recommendation that they would put in additional

scrubbers to remove the ingredients which cause acid rain.

If the minister wants to continue destroying the Niagara Peninsula, he can continue to export that energy and not bring in some measures to reduce the sulphur dioxide that causes the acid rain to fall on the Niagara Peninsula, the Niagara River, Lake Erie and Lake Ontario.

Perhaps not immediately, but as it gets into full production, it will have some serious impact on the number of tourists coming into the area and compound further the problems of the water quality within the Great Lakes basin around the Niagara Peninsula. If lakes are not safe for swimming and the river is not safe for boating, he will have problems.

However, we do support the bill in principle and if the minister wants to discuss the problem of the purchase of the park, I will be only too happy to walk over there and explain it to him in more detail.

8:30 p.m.

**The Acting Speaker (Mr. Cousens):** The member for Sudbury East.

**Mr. Renwick:** The House leader of my party walks in and takes precedence over every other member.

**Mr. Martel:** I want to suggest to my friend the member for Riverdale, that had he been here this afternoon—

**Mr. MacDonald:** I will arbitrate.

**Mr. Martel:** The member for York South will arbitrate.

I have a few comments I want to make to the minister. I might say to the Minister of Labour (Mr. Ramsay) that the committee he appointed this afternoon is crazy; it has no statutory powers. That is just a little aside. The voluntary committee the minister appointed this afternoon has no statutory powers and it is a waste of time. The act does not apply to these voluntary committees. Throw it out. Under section 83 of the act, the minister appoints—

**The Acting Speaker:** The honourable member is speaking to Bill 41?

**Mr. Martel:** Let me get to the bill, Mr. Speaker. I have a few comments about the bill that I want to make.

This minister has a tough job. As my colleague the member for Algoma (Mr. Wildman) said this afternoon, if this government is allowed to perpetuate the system of emissions from Inco and if it continues to allow the abatement

program to be put off, there is no hope of revitalizing the tourist industry in areas like the French River. I hope the minister is listening to me; I see him reading. Most of the lakes and rivers in that chain to the south and east of the Inco establishments are sterile now. If we look at the lakes in the Killarney Lake chain, we know there is not so much as an aquatic bug in any of those lakes, let alone fish.

In 1968, when Matt Dymond announced the superstack at Inco, I suppose I was the only person who opposed it. All the superstack has done is to get sulphur dioxide, which is acid rain, somewhat farther from Sudbury than was previously the case. This government fell flat on its face when it continued to allow Inco to do that. It is interesting that the government always did it when the House was not sitting. Usually in January, they would announce that Inco had another reprieve for a further two years to meet the abatement program that was established in 1972.

In 1975, when Inco bought ESB in the United States, they were supposed to build a new smelter in Sudbury. If there are problems east and south of Sudbury, they are a consequence of decisions made by this government from 1972 on. This minister will have a tough job altering those decisions now, because economic conditions are pretty bad. They were pretty good in 1973 when I think Inco made \$315 million after taxes. When it came to a choice between a new plant or buying ESB, the government over there said, "Go ahead, buy ESB and don't put your new smelter in." Now we are in a financial bind and we cannot build a new smelter; so we have this devastation continuing. The report from Ottawa in 1974 said that at least \$400 million worth of damage continues annually.

With the new superstack it has gone down into Muskoka. If the Treasurer (Mr. F. S. Miller) does not wake up soon, he will not have any tourist industry there, because tourists do not want to go where they cannot catch fish. Those of us from the Sudbury basin know that most of the lakes and rivers to the south and east are sterile because we have the prevailing westerly winds. That is a big job for this minister. He will have to convince his cabinet colleagues that those ad hoc policies in favour of their political friends will wipe out another industry; that probably will be the tourist industry. I suspect the area that is most affected at present is the Muskokas. If the Treasurer were to get on his horse, we might see some changes; or perhaps not.



There is already ample proof that the cause of that problem over the years has been Inco. It is interesting that so far, in all my years here, not one scientist in the Ministry of the Environment has ever conceded that the devastation in the Sudbury area has been caused by Inco and Falconbridge. I remember Dr. Clarke used to argue at the Ministry of Natural Resources estimates that we had no proof and therefore could not attribute blame to Inco and Falconbridge. I do not know of a scientist employed by this government who has yet been prepared to lay the blame at the door of these companies. Yet the emission is 750,000 tons or some more astronomical figure.

For years, this government knew what the statistics were, and hid them. It was only when my friend Falkowski managed to get his hands on the Dreisinger report, which showed the amount of effluent being dumped in the environment in the Sudbury area, that we were able to start to get a handle on it. But the government had known it for years. In fact, the Dreisinger study went on for some 15 years and no one knew except a few Pooh-Bahs in the Ministry of the Environment.

The minister must be serious about this matter. My friend the member for Algoma mentioned Ontario Hydro; I mention Inco, because I know of no source that contributes more to the problem. This government has never said to Inco, "You have to clean up." They have issued order after order every year since 1972, I think it was, and every year since 1972 Inco has been given an exemption; the government has said, "Well, do it until 1974"; and then until 1976 and then until 1978. I am no longer sure what the position is.

On a different topic I, like my colleague the member for Lake Nipigon (Mr. Stokes), am really disturbed that parks do not come under this ministry. I say that for several reasons. I recall going to the Ministry of Natural Resources—I think the parliamentary assistant is here—for the first time with respect to getting a park on Lake Wanapitei, where a reserve has been established since about 1971.

There is a great myth among the civil servants who work for this government that there is a lot of recreational land in northern Ontario. I am sure my friend the Minister of Labour knows as well as I do that there are not that many good swimming facilities for family recreation in northern Ontario. We have more lakes and rivers than one can shake a stick at but, unfortunately, very few of them have any beach

area. Most of the terrain is stuff that was scoured out during the glacial age. We do not have the type of facilities we need for the people.

Lake Wanapitei is probably one of the nicest areas I have seen in northern Ontario, and we have managed to get a park there with some 1,300 acres reserved. Since 1971, the government has been plotting the depth and temperature of the lake and so on; it is all there. But this government is not prepared to put money in northern Ontario to develop parks because it has the misconception that since we have lots of lakes and rivers, we have lots of park facilities.

With regard to Lake Wanapitei and the park that I have been trying to get established in my own area, the Sudbury basin, we have probably one facility there. But the province will not build a road to it, because it would cost \$640,000, and we have been trying to get it for years. The government will invest all kinds of money in southern Ontario for new parks but it will not do it in northern Ontario because there is a myth that since we have a lot of lakes and rivers we have a lot of park facilities. We simply do not.

8:40 p.m.

I hope this minister addresses that problem. I hope he has some input, because the facilities are not available. One can go fishing, one can do a lot of things, but day parks and overnight camping parks in northern Ontario are as scarce as chickens' teeth. This is one of the reasons, if the minister is going to be responsible for tourism, he should get into that sort of area. The Minister of Natural Resources (Mr. Pope) has copped out. He just gives continuing reasons why it cannot be done, always because there is a shortage of funds. But there are funds to continue to build parks down here in southern Ontario, because this is where the population is. So to hell with us up in the north. That is the story of northern Ontario.

I want to give a couple of other examples. I have never objected to having money pumped into the Royal Ontario Museum. I have never objected to money being put into all the facilities there are in Toronto, the Ontario Science Centre or whatever. But I can recall over the years suggesting to this government that in northern Ontario, because of the great distances involved in bringing students, this government should assist in establishing zoos and bird sanctuaries.

I recall trying to salvage two in my area, a zoo and a bird sanctuary. We had all kinds of money for the Royal Ontario Museum, the Toronto

Symphony or whatever, but to try to salvage a small zoo where children could go was impossible. This government would not provide any funds for a zoo, nor would it provide money for a bird sanctuary, but it could find all kinds of money for the Royal Ontario Museum.

I resent that, as a northerner, because the cost of bringing youngsters to Toronto is prohibitive in many instances. Grade 8 pupils might get a trip, but even that is going down the tube because of the limits imposed now by the Ministry of Education on bringing youngsters to Toronto and providing overnight accommodation for two or three days. I know of a school that has just cancelled out. It had a trip arranged and was going to get the funding from the Ministry of Education, but the funding was not sufficient to come the long distance. Those just a little beyond the boundaries that are drawn do not get as much money.

I say to the government, rather than bringing our kids from the north down here, it should put some money into some things in the north that young people can go and see. I mentioned only two, the bird sanctuary that went down the tube and a small zoo that also went down the tube. I say that against the background of the money we have pumped into Metropolitan Toronto for all the activities a lot of kids in Toronto can use a subway token to go to see. It costs much more than a subway token in northern Ontario to come down here to the Royal Ontario Museum, Casa Loma and places like that. The government has to start to do those things in terms of tourism.

I was going to speak on the other bill on culture but did not get into it. The same thing applies there. When the select committee on economic and cultural nationalism went to France, it heard the French government say: "It is okay to have those things in Paris, but we have to be assured they are in other regions as well. We have to provide those amenities for the people who do not live in Paris." I am afraid this government has never taken that very seriously.

**Mr. Foulds:** Right. They are still living in Paris.

**Mr. Martel:** They think the whole hub of Ontario, in fact all of Ontario, is centred on Toronto. Getting the money to create these things, whether it be up in Oxford or other places, has not occurred yet. I hope the Minister of Citizenship and Culture (Mr. McCaffrey) does it, and I hope the Minister of Tourism and Recreation (Mr. Baetz) also will make sure there are facilities beyond Toronto.

I see that it says in section 4 that one of the ministry's objectives is to "encourage and support the use of parks." I have travelled to both coasts twice with my children. I have not gone to the United States, as many cabinet ministers do, for my vacation; I like to stay in Canada. I have to tell the minister that in Quebec, for someone who is pulling a trailer, the parks are so far ahead of us that it is not even funny. When one goes to many parks in Ontario, pulling a trailer, they might have electricity, but they might not; they might have hot and cold water, but they might not. When one is travelling with three or four children, those are the least things one expects.

It was interesting in Quebec—I went from Ottawa right up around the Gaspé—that even in the private parks there were swimming pools, facilities for washing clothes and hot and cold water; they were much in advance of what we have. In our parks, the odd one has these facilities where one can hook up, but the majority do not.

If the minister wants to encourage family travel in Ontario, that is one of the things he must improve. Those facilities must be available for families; they should not have to travel another 150 miles to a park that has them. All of the parks should have those facilities to make family travel convenient, because there are not too many families with three or four children today who can afford to take vacations living at motels and hotels and buying meals, unless one happens to be a cabinet minister and well-heeled; the vast majority of us cannot do it.

My colleague the member for Algoma mentioned another thing that I want to raise. Where one pulls off the highways in Ontario, it is a disgrace. If one leaves Toronto and just goes to Sudbury, there are not two decent places to pull in with your family to get information. The washrooms are all outdoor privies, and the stench drives you away. In Quebec, they have nice paved driveways into all of those places, with running water and decent washroom facilities. We are so far behind them; I said this to the Minister of Transportation and Communications (Mr. Snow) a number of years ago, and it did not even sink in.

I want to tell the minister that for people who have gone north, the facilities for stopping for lunch and to wash up are just not there, although I can suggest a number of places one might stop. I see my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) shaking his head; he has a camp up in my area, and he



knows that if you pull into any one of those places along that highway, it is a bloody disgrace. There is no water and, as I stated, there is an outdoor privy, the stench of which just drives you away. That's what we have for the travelling public.

What I say does not just apply from here to Sudbury. I travel frequently up to Thunder Bay, making that 600-mile trip, and the same applies there. It leaves so much to be desired that I do not know how the minister can really say he is encouraging tourism in this country with those sorts of facilities. I am not talking about facilities where one is going to buy a lot, but just about facilities to pull in and stop for an hour, have a sandwich and keep going. They are not even there. It is a disgrace.

I do not think it would cost that much to improve those facilities; but if they were improved, we would increase the number of people who would come in from the United States to make use of the facilities that are there and to enjoy the scenery and everything else we have to offer.

**8:50 p.m.**

The other thing I want to say to the minister relates to another of the ministry's objectives as stated in section 4; it is to "encourage and promote improvement in the standards of accommodation, facilities and services offered to the travelling and vacationing public."

I hope he gets into that field in a serious way. I have travelled in northern Ontario a good deal and, from my experience, the facilities for serving gas and the lunchroom and washroom facilities leave a good deal to be desired. One has to pick one's places based on some previous knowledge of travelling through that area to get facilities one really wants to go into. They are really limited.

I suggest to the minister that he has a big role in bringing facilities for food, washrooms and so on up to standard. If that is done, it will encourage a lot more people to come to this province to enjoy the outdoors.

The last point I want to make deals with another of the ministry's objectives, the one that says it shall "ensure that adequate opportunities are available to all residents of Ontario to pursue recreational, sports and fitness activities." I think there are a lot more facilities available in this province than we are prepared to make use of.

In most communities there are all kinds of facilities that are totally underused. When I look around my own area, most schools now

have gyms that are not used beyond four or five o'clock. I do not think they are used on weekends. One sees all kinds of clubs trying to find facilities or promoting the raising of funds to expand facilities, but there are all kinds of facilities that are underused. One can go to just about any school today and find a gymnasium in it; but we do not use them, one has to get permission.

It is crazy that we have schools with facilities that are not used beyond five o'clock at night. We should be taking inventories of what is available in this province and pursuing the use of those facilities to the maximum for badminton, basketball, gymnastics and so on. Most of the facilities are available. I think they are underused.

One of our problems is that we put too much money into one sport. In northern Ontario, if one does not have an arena for hockey, one is out of luck. There are a lot of kids who do not want to play hockey. This government went part of the way a couple of years ago and did a study. It was by Dr. McPherson, I guess.

It was an excellent report, except they stopped at peewee hockey. If this government does not wake up soon, we will not have enough kids in arenas to use those facilities. We have rectified and improved hockey. I was at a hockey tournament recently in North Bay, and a father came to me and said: "I recognize you. I used to think you were crazy." I said, "You're not the first person who has accused me of that."

**Mr. Mancini:** He was right.

**Mr. Martel:** He might well be, but I guess it takes one to know one.

This father said to me: "Since we eliminated bodily contact in hockey up to the peewee level, it is a whole new ball game for these kids. They are skating, passing and developing skills we never saw up to the age level of 12."

**Mr. Bradley:** You haven't seen Sarnia's junior B team.

**Mr. Nixon:** That's the way we teach hockey in Brant.

**Mr. Martel:** I know what the former member for Sarnia did one night, and he got great reports in the press; I think he took a punch at someone, didn't he, Bob?

I still think this government has a responsibility to say there will be no hockey violence, but it does not have the courage to do it yet. I resent that, because nowhere would we allow someone to walk out into the middle of the street and

pound someone else on the head with a hickory stick except in hockey.

**Mr. Roy:** Or in this place.

**Mr. Martel:** No. Even here we give verbal gibes, but we would not tolerate someone walking over and crushing someone else on the head with a piece of wood. What the hell! Are we crazy that we as parents and as adults allow kids to smash each other on the head with a piece of hickory? The government does not have the courage to say that we will not tolerate it any more.

The hockey statistics show that we are down to fewer than 450,000 kids because the kids do not want the pressure from the parents and the coaches to win. Most of the coaches think they are Red Kelly; they really do.

Interjection.

**Mr. Martel:** Oh yes. They think they are all going to the National Hockey League—not the kids, the coaches. And we have not got the courage yet. This minister was trying—I give him credit—but he stopped it at peewee. They were supposed to take violence out of bantam hockey last year; but it is still there.

In my home town we did not have enough kids last year for a house league at any level. Why? Go out and talk to the kids, as I do. They do not want to get killed, and they do not want the pressure from their parents. Who can blame them? We are not even civilized. We sit in this House and allow it.

My friend the member for Sault Ste. Marie (Mr. Ramsay) sympathizes with my position, because he has been heavily involved in hockey over the years. I recall listening to him when he used to announce those games.

**Hon. Mr. Ramsay:** I didn't think you were that old, Elie.

**Mr. Martel:** I hope this minister has the courage in his new portfolio to say: "That's it. Until 16 there will be no fighting allowed, and there will be no violence tolerated in the game." We do not do it in any other sport; why are we prepared to allow it in hockey? I cannot impress enough on the minister the need to take that step. My friend the former Minister of Labour and I have gone to hockey games together and watched it.

**Hon. Mr. Elgie:** We have gotten into fights with each other.

**Mr. Martel:** Yes. It's crazy.

**Mr. Foulds:** And they both show the scars.

**Mr. Martel:** I probably go to at least 50 or 60 hockey games a winter. I have three sons who play hockey. And beyond peewee it is insanity. A friend of mine who is a former professional hockey player—I will not mention his name—told me recently, "We are going to kill a kid in midget yet, and that is when we are going to get serious." I know of a youngster in Pembroke—and my friend knows the coach, Jimmy Ferralis—who was paralysed from the waist down last year. Yet we are not prepared to say we will eliminate that.

Are we really civilized when we allow that mayhem to go on? I say we are not. What bothers me is that we do not have the courage to say: "No more. We will not tolerate it any more." We as adults have that responsibility. The kids are not there, because they are not prepared to tolerate it any more. They are moving into individual sports—skiing, tennis, swimming—because they have had enough, and we as a government and as a society are too stupid to say we have had enough.

I am fascinated now as I listen to Bobby Orr and Bobby Hull who have said, finally, "Look, the whole thing is insanity."

9 p.m.

**Mr. Samis:** Dave Schultz.

**Mr. Martel:** Even Dave Schultz. He is repentant.

I ask the minister, why are we prepared to allow it to continue? Do we not have the intestinal fortitude to say we have had enough? I think it is time. If we are going to foster and encourage recreation—and this ministry is responsible for it—I think it is time the minister went back and said: "You took it to peewee, next year we move it to midget."

If there are some people, like the former head of the league here in Toronto, who want to quit, we are better off without them. Society is better off without them. I do not know if any of the members watched any of the hockey games the other day; we still have difficulty coping with the Russians. They still beat our best because they play as a team. They do not have to kill.

**Mr. Nixon:** Without our man from Brantford, it would have been a wipe-out.

**Mr. Martel:** In fact, he lost the important face-off, did he not?

**Mr. Nixon:** He is the one who said so and you are the type who would pick it up.

**Mr. Martel:** Might as well.

I implore the minister to get involved in that



area again, now that he is minister totally responsible, and move to eliminate it.

Tell those beggars out there who do not want it changed and who are going to quit, to leave. The boys in this province, and the young ladies who are now playing, would be better off without them, society would be better off without them. The day of national hockey is gone, I hope, and we are going to do it for sport and for the betterment and development of kids.

Let me just say I did not mean to go on at length on that but it is a topic—

**Mr. Nixon:** Go over it again.

**Mr. Martel:** You want me to go on some more? I can give you some more if you like; but I will not.

I would hope the minister would offer encouragement for activities beyond this thing we have in Canada that hockey is the only sport in the world.

**Mr. Conway:** What is this concept of “natural hockey.”

**Mr. Martel:** I never mentioned the words “natural hockey.”

**Mr. Foulds:** National.

**Mr. Martel:** National.

**Mr. Foulds:** Clean out your ears.

**Mr. Martel:** You should take that trip.

I would hope we would offer encouragement far beyond hockey. I recall working with a friend of mine in trying to raise money for an arena. He had a daughter and he said, “What good is an arena to me?” Because we already had one in town. He said, “Why don’t we develop other facilities?” But the town fathers thought it all had to be hockey. I think we have to start to encourage and foster other activities beyond figure skating and hockey.

I want to tell the minister, the point is being reached financially, both in figure skating and hockey, where young people are not going to be able to cope. I am not sure if the minister is aware that now a pair of hockey skates are about \$150, that hockey sticks sell at \$14 a stick and shin pads are up around \$75 a pair.

It has reached a point where there are all kinds of youngsters who are not going to be able to play hockey simply because—

**Mr. Nixon:** You are making \$50,000.

**Mr. Martel:** My kids are still there. Thank God my wife is working.

There are all kinds of youngsters who are going to be excluded from the game because of the cost of equipment.

The other thing, of course, with respect to hockey is that they have simply gone nuts with their tournaments. They are now taking kids out of school on Thursday to play somewhere 200 or 300 miles away on Thursday evening, then they are out all day Friday. And that is becoming a moneymaking gimmick. As a teacher, I find it a little bit offensive that we are taking kids and sending them to four and five hockey tournaments a year in order to make a buck for an arena. It is just too much.

As for the cost; I talked to a parent the other day whose cost for one son travelling to tournaments this year was 1,500 big ones. That has become a money-making venture that is shortly going to make the National Hockey League look like a piker in regard to the number of hockey tournaments that are going on. Many parents are being forced to take their kids off a travelling hockey team because they cannot afford four or five hockey tournaments in a winter. It is total insanity, and I, as a teacher, resent them taking kids out somewhere to spend two days away from school, four or five times a year, to play hockey. I think that should be examined.

Finally, I want to get back to my point. I hope the minister will encourage more than hockey in northern Ontario and in Ontario.

**Mr. J. M. Johnson:** Mr. Speaker, I would like to make a few comments, basically about the Ontario farm vacation program. Also, I would like to take exception to a few of the remarks made by my colleague, Mr. Martel, from Sudbury pertaining to the campgrounds in this province. I happen to feel we have some excellent campgrounds in Ontario. I think the problem with Mr. Martel is that he has been spoilt. If he were to travel into Wisconsin and stay in the wilderness campgrounds he would see what camping is really all about. Why does he need all types of special facilities when he is out camping? This spoils camping because it increases the cost.

**Mr. Martel:** If you want to be the last of the rugged individualists, be so.

**Mr. J.M. Johnson:** I think the NDP are spoilt. I would suggest the minister not pay any attention to Mr. Martel and his—

**Mr. Foulds:** Mr. Speaker, on a point of order, I think the Speaker has ruled that members should not refer to each other personally, and I think he should refer to the member according to his riding. Therefore, I would like you to call the member—

**The Acting Speaker:** A very good point and I appreciate your bringing that to the attention of the member for Wellington-Dufferin-Peel.

**Mr. J. M. Johnson:** I reiterate that the member is spoilt.

I would like to make one further comment. My main theme tonight is simply to sell the Ontario farm vacation program. I have tried to promote this program for the last six and a half years and I am extremely disappointed with the amount of support I have received from all sides of the House.

Last fall I was in England and I talked to some of the people there regarding their program. It is embarrassing to mention the amount of money that is spent by Great Britain on its farm vacation program in Wales alone. It is a substantial amount, and I think the minister should check that. I have yet to receive any support from any member of the NDP caucus on this. One member in the Liberal Party does support it, the member for Victoria-Haliburton (Mr. Eakins). He is the only member on the opposition side who supports the Ontario farm vacation program.

**Mr. Philip:** Mr. Speaker, on a point of order, when I worked for the Ontario Federation of Agriculture, not only did I promote it but I also purchased one and had a great farm vacation. There was not one of those farms I visited that did not have a septic system, the absence of which the member for Sudbury East (Mr. Martel) was talking about in terms of this government's parks.

**Mr. J. M. Johnson:** Last year there were 31 farms involved in this program, and this year there are 46. Many of them are in my riding and because of the support I have shown for this program—

**Mr. Philip:** All of them with septic systems. Not one without a septic system.

**Mr. J. M. Johnson:** They may have septic systems. I agree with the member for Etobicoke that they do require them.

9:10 p.m.

I would like to suggest that within a few hours drive of my riding of Wellington-Dufferin-Peel, there are a potential 20 million to 40 million customers who could make use of a program such as the farm vacation program. It is the type of resource that does not use up any of our land or take away any natural resources. It brings money into the economy, into the municipality. It has a tremendous potential to provide employment. It gives us an opportunity to stimulate the

economy at very nominal cost. There are many farmers who are interested in the program but they require some assistance from the ministry to co-ordinate their needs and the needs of the customers.

Prince Edward Island is extremely successful in this type of program. A year ago I attended a conference at St. Jacobs. The minister will be familiar with that, as it was in his home area. There were delegates from eight of the provinces, and they were extremely pleased with the results of this type of program.

As I mentioned, the program in Ontario has expanded from 31 to 46 farms but this is only touching base. We have the potential of 10 times this number. In Great Britain, there is a directory that has 700 or 800 pages of listings of farms in this type of program. There is something drastically wrong with Ontario if we do not get into a program such as this.

The Minister of Agriculture and Food (Mr. Timbrell) has supported it to a limited degree but this falls within the jurisdiction of this minister, and I would implore him to look into it and see if there is not some potential that we can explore.

**The Acting Speaker:** The member for Essex South.

[Applause]

**Mr. Mancini:** Mr. Speaker, I appreciate the applause from the member for Port Arthur (Mr. Foulds)—

**Mr. McClellan:** Tell us about the tomato festival.

**Mr. Wrye:** It is good when the deputy leader of their party recognizes quality.

**Mr. Mancini:** Absolutely. The member for Bellwoods (Mr. McClellan) wants to know about the tomato festival. We do not really have a tomato festival in Essex South, but if the member for Bellwoods would like to direct correspondence to the proper officials in Leamington, they might consider his proposal for a tomato festival; but he would have to come down and be the chief tomato.

I wish to make a few comments concerning Bill 41, An Act to establish the Ministry of Tourism and Recreation. We have heard a lot from the New Democratic Party member for Sudbury East (Mr. Martel) about his feelings towards violence in hockey. He may or may not be aware one of the agencies the procedural affairs committee chose to review was the Hockey Ontario Development Committee. I expressed similar views to those expressed by



the member for Sudbury East, although most of the committee members felt that the investment being made in hockey arenas and the sport itself was worth while because of the huge numbers of children and young people involved. The members mentioned that the number was well over 450,000.

Now that the point has been raised, it is something that possibly the Legislature has to look at more seriously. We can remember some time ago, when, with quite a bit of fanfare, the Attorney General (Mr. McMurtry) of this province got involved in a hockey dispute which erupted into quite a bit of violent activity on the ice. If my memory serves me correctly, he had some charges pressed against certain hockey players. That was when the Attorney General was looking for headlines, and after the initial splash in the Toronto media, we heard very little more about what the government intended to do about hockey violence.

If this minister feels it is within his jurisdiction to make a move in that direction, he should feel secure that there are many members of the Legislature who abhor the violent nature of hockey. Frankly, I am not a big hockey fan. I really do not go to hockey games.

**Mr. Stokes:** You are a gymnast, aren't you?

**Mr. Mancini:** Yes. I am a former gymnast and there is very little violence in gymnastics.

**Mr. Ruston:** That's right. The member for Windsor-Walkerville is a great one for that.

**Mr. Mancini:** You are right and I just want—  
Interjection

**Mr. Mancini:** Yes, if you slipped on one of those bars, it could be very violent. I will vouch for that.

**Mr. Ruston:** The minister agrees with that.

**Mr. Mancini:** I will vouch for that and we had many a close call, Mr. Speaker. Anyway, I think the minister should know that there are many members of the House who are willing to speak out on the violence in hockey and who would be willing to take measures publicly to support whatever positive action he wished to take.

I cannot recall all of the recommendations that the procedural affairs committee made concerning the Hockey Ontario Development Committee but we certainly did ask them to review their purpose and asked what they planned to do with the considerable grant the Ontario government had bestowed upon them. I believe the present Minister of Tourism and Recreation (Mr. Baetz) responded to our com-

mittee saying that had already taken place. Enough about the hockey violence.

I would like to make several points to the minister as he is undertaking his new role in this new ministry. It is an opportunity for a new start in this field of tourism and recreation. I want the minister to know that my good friend and colleague the member for Essex North (Mr. Ruston) and I met with the Essex County Hotel-Motel Association after Christmas.

**Mr. Samis:** Where was the meeting?

**Mr. Mancini:** I believe we met in St. Joachim at the Country Boy Tavern—

**Mr. Ruston:** A great place for meals.

**Mr. Mancini:** Yes, sir. It was a very nice meeting at a very nice establishment, and these people who are in the business of offering the tourists their facilities and hospitality are very concerned about the policies of the Ontario government.

They expressed great regret that the government decided to reimpose the seven per cent tax on hotel rooms. They wanted the government to know that this certainly was not what the industry thought was needed at the present time and it certainly was not going to help to draw new tourists to Ontario or, because of the extra costs involved, encourage people to become repeat tourists. Seven per cent may not seem like a lot but, together with the recent increases in the price of gasoline, thanks to the energy pact signed by Ottawa and Alberta and to the Ontario provincial government's 20 per cent ad valorem tax—

**Mr. Ruston:** It's shameful.

**Mr. Mancini:** Yes, it is shameful. The member for Essex North is correct.

**Mr. Ruston:** Nine cents a gallon increase in one year.

**Mr. Mancini:** It just compounds the cost to the traveller so the Essex County Hotel and Motel Association wanted to register their strong opposition to the reimposition of that tax.

Further, they felt the 10 per cent tax on meals costing over \$6 is really out of touch with what is going on out there in the food industry and with the prices of meals today. They recommended several alternatives. One, that the government lower the tax to three or four per cent and tax all food whether it be a \$1 or \$2. Another suggestion they made was that the \$6 minimum be raised to at least \$10. It has been a considerable amount of time since the minimum for the amount of food that could be bought without

tax was raised. These are things which are of concern to the people in the business of trying to provide the tourists with places to stay and with hospitality.

9:20 p.m.

Since I am on the subject of food I want to say that this organization also mentioned their interest in having the privilege of serving liquor before 12 noon. While I support the government's move in that direction, I find the timing curious. Members will recall that just before Christmas the Attorney General was trying to pass his "almost drunk" law which would have permitted the police to remove drivers suspected of drinking and have them leave their cars at the curbside. While the Attorney General was getting big headlines and credit for trying to save the public from drinking drivers, his government was extending drinking hours. I find that somewhat hypocritical.

**Mr. Conway:** Ban the bars.

**Mr. Mancini:** Yes. If they were really as concerned as much as the Attorney General pretends, they probably would not have extended the drinking hours. But that is typical of just about everything the Attorney General does, including what he did about hockey violence.

**The Acting Speaker:** Are we on Bill 41?

**Mr. Mancini:** Yes; that is correct.

That is why he has very little credibility left with the opposition members.

In this great city we have the Toronto Blue Jays baseball club.

**Mr. Samis:** Prohibition park.

**Mr. Mancini:** Yes, they play at prohibition park. They are a tremendous tourist attraction and I think it is shameful not to allow beer to be sold in the ball park.

I want to tell the Minister of Tourism and Recreation that his government allows alcohol to be served in bowling alleys. It is true that they try to set up a sort of dining area but some bowling alleys provide only a minimal division between the two areas. Many young people go bowling, yet beer and liquor can be sold in these establishments. The government allows people to go to the local pubs and watch Ample Annie and Mr. Tease do their thing and allows them to have beer or a glass of wine.

**Mr. McClellan:** You should go to the Tory caucus room.

**Mr. Mancini:** I do not know; I have never been in the Tory caucus room.

**Mr. McClellan:** I have seen booze in there.

**Mr. Mancini:** My friend, the member for Bellwoods says he has seen booze in the Tory caucus room, so there you go, Mr. Speaker.

My point is, some people would consider Mr. Tease and Ample Annie a type of recreation. Why does the government allow liquor and beer to be sold in those establishments with that kind of recreation, and not where one of the oldest sports in North America is played? It is a national pastime. People should be able to have a glass of beer while they are watching our Blue Jays—

**An hon. member:** Lose.

**Mr. Mancini:** —Win some and lose others. I would hope that if the minister has any influence in this area, he could speak to my friend, the Minister of Consumer and Commercial Relations (Mr. Elgie), who is in charge of prohibition park so that he might take steps in that direction.

I would like also to touch on the service stations between Windsor and Toronto. As a person who drives between Windsor and Toronto on a fairly regular basis, I have to tell the members the service and food provided and the prices charged are awful.

**Mr. McClellan:** They're called pit stops.

**Mr. Mancini:** Some of those places are really slop houses and I am not afraid to put that on the record.

For our first wedding anniversary, my wife and I drove to New Brunswick. We went through Massachusetts and were very impressed with the quality of the food at the service stations, the prices and the whole nature of service stations providing these facilities to tourists. However, before we entered Massachusetts, we had to drive through New York and I want to say to the minister our service stations are comparable to many of the ones we saw in New York, just slop houses.

**Mr. McClellan:** How do you get a franchise on the 401?

**Mr. Wrye:** The worst food gets it.

**Mr. Conway:** Reuben, are you running slop houses?

**Mr. Mancini:** If I am correct, service stations have an agreement with Ontario and they need the ministry's permission to renegotiate their leases.

**Mr. McClellan:** You get a slop house permit.

**Mr. Mancini:** The member for Sudbury East had the minister's attention for about an hour. I would like it now.



**Mr. Martel:** I am talking to my friend the minister.

**Mr. Mancini:** I want his attention, too.

If the minister was a tourist from Canton, Ohio, driving through Detroit and Windsor on his way to Toronto on Highway 401, what would be his impression of Ontario? If he drove into these service centres, he would find that the price of gasoline is eight to 10 cents a gallon higher; and in litres it is even more. Why are they allowed to charge so much more for gasoline? Why does the minister allow that if he has an agreement with these service centres? Why does he allow them to keep their wash-rooms in a manner that is not up to today's standards? Why does he not have them put in place proper restaurant facilities and at least charge reasonable prices?

These are things the Minister of Tourism and Recreation should be vitally interested in. Highway 401 is heavily travelled from Windsor to Toronto, especially by our American friends from the Michigan and Ohio areas. They are within a day's driving distance of Toronto. If we want people to drive from Ohio and Windsor to visit Toronto and then go to Canada's Wonderland, we will have to clean up our act on Highway 401.

The minister may not be aware of this but, before the former Minister of Industry and Tourism was moved to the Ministry of Health, he gave his lengthy view of what Windsor and Essex county could do to improve their tourism position. I do not know what the government has done to assist Windsor and Essex county; probably nothing. We have a tourism bureau which I believe is funded to promote tourism but in my view, because of the market we are able to attract, we need more provincial government involvement.

The old Ministry of Culture and Recreation has an office in Windsor. I do not know if it has any liaison with the Windsor-Essex County Development Commission. If it does not, it should be more in contact with these people who are interested in drawing tourists to Windsor and Essex county. The minister would be surprised at the number of good eating and sleeping establishments as well as other types of entertainment such as lounges, etc., that we have in our area and he would be surprised by the great historical nature of Windsor and Essex county.

9:30 p.m.

In that regard I want to bring to his attention

the fact that I have been trying now for almost three years to get Highway 18 from Windsor to Amherstburg signed as the Sauk Trail. I would like to read to the minister from the journal of the Illinois State Historical Society, July 1936.

**Mr. Renwick:** Did you say 1936?

**Mr. Mancini:** Yes, 1936. The member is thinking back and saying, as Frank Sinatra used to say, "That was a very good year."

**Mr. Renwick:** That was the year I was elected.

**Mr. Mancini:** It was a very good year then.

On page 121 of the journal, in an article entitled *The Other End of the Great Sauk Trail*, written by Harry L. Spooner—if there are any historians in the House, they will really appreciate this—it says and I quote: "One of the oldest thoroughfares in the United States, and quite likely the oldest one in Illinois, is what is known as the Great Sauk Trail, or the Sauk and Fox Trail. Starting at the mouth"—

**Mr Wrye:** Foxtrot.

**Mr. Ruston:** They used to call it a foxtrot when I was a young fellow. That was a dance.

**Mr. Cassidy:** Give him the Sam Cureatz award for irrelevancy.

**Mr. Mancini:** The former leader of the NDP said this is irrelevant, but he knows very little of the historical nature of Essex county. He knows very little about the Sauk Indians who used to travel from that part of the United States and make their way down through Michigan and across Detroit into Windsor and down to Amherstburg and receive gifts from the British, who were assisted by these Indians during the War of 1812 against the Americans. This is a debate on the Ministry of Tourism and Recreation, and a very important subject to the minister, I am sure.

Before I was so rudely interrupted by the former leader of the NDP, I was quoting from the the journal of The Illinois State Historical Society: "One of the oldest thoroughfares in the United States, and quite likely the oldest one in Illinois, is what is known as the Great Sauk Trail, or the Sauk and Fox Trail. "Starting at the mouth of the Rock River, at its confluence with the Mississippi, it ran up the south bank of the Rock for a short distance, then took a southeasterly course across central Henry and Bureau counties, touched the old Indian village of Kaskaskia, the modern Utica, crossed the Fox River near Ottawa, ran up the north bank of the Illinois through Morris, crossed Des Plaines

near Joliet, went east through the Chicago Heights, crossed the Illinois-Indiana state line at Gary, continued east through Valparaiso and then took a northeasterly course through Rolling Prairie and LaPorte, crossed the St. Joseph River near Niles and continued east and north through Montville, Sturgis, Coldwater, Jonesville, Clinton, Ypsilanti to Detroit where it crossed the Detroit River and followed down its bank 18 miles to the old village of Amherstburg at its mouth."

That is my home town of Amherstburg, for the benefit of the former leader of the NDP.

On page 122 it states, "This custom of giving presents to the Indians had continued from the first British occupation of Canada."

**The Deputy Speaker:** I want to bring to the member's attention that he is coming very close to that award.

**Mr. Mancini:** I am sorry, Mr. Speaker?

**The Deputy Speaker:** The member is coming very close to not centering on the topic of debate this evening.

**Mr. Mancini:** No, Mr. Speaker, you are way off on this, because what I am trying to do is inform the minister that we have a very important historic road in Essex county and that his government will not properly sign this road.

He is the Minister of Tourism and Recreation and we want to increase the number of tourists who come to Essex county and show them we have historic sites which are very important to the history of our country, and that is why this background information is being provided. No one in the New Democratic Party realized, except the member for Riverdale, that—

**Mr. Stokes:** I want to know why they blew up the toll gate.

**Mr. Mancini:** I do not know why they blew up the toll gate. Anyway, the Sauk Trail is important because the Sauk Indians travelled all the way from Illinois to Amherstburg and went over to Bois Blanc Island, which is now Bob-Lo, and received gifts from the British thanking the Indians for their assistance in the War of 1812. If it had not been for the assistance of the Indians, Essex county and part of Ontario would today be part of the United States.

**Mr. Stokes:** We have been abusing the Indians ever since.

**Mr. Mancini:** That's right, and we should all be embarrassed about that.

I want to say to the minister, let us get the road signed properly. There is adequate histori-

cal documentation to prove its significance. All the municipalities in the area sent resolutions long ago that the road should be signed. Let us get the road signed and over with.

I want to talk about the Ontario Development Corp.

Interjections.

**The Deputy Speaker:** I am dumfounded.

**Mr. Mancini:** I want to talk about the Ontario Development Corp. as it relates to the Ministry of Tourism and Recreation. I do not know how many applications they have received at the ODC for tourist-type projects—by that I mean motels, marinas, amusement parks, etc.—but I want to get it on the record that a couple of years ago Bob-Lo Island, which is an amusement park situated in the middle of the Detroit River on the Canadian side, was in financial trouble.

Although in the long run the Ontario Development Corp. did come through with a \$500,000 loan guarantee, it certainly was late and it certainly was not very much. We almost lost one of the best tourist attractions we have in southwestern Ontario. I hope the company is now back on its feet and will be able to succeed.

**Mr. Gillies:** It is still there and making a profit.

**Mr. Mancini:** No, it is not making a profit, but it is still there. The reason I am bringing this up is that sometimes, in certain instances, I see not very much enthusiasm at the ODC for supporting the type of tourist facilities we need in Windsor and Essex county.

The towns of Amherstburg, Leamington and, to some extent, the village of Wheatley are in negotiations right now with different agencies of the government to build boating facilities, a marina, in these areas. Unless we are able to accomplish that we will be at least 50 years behind the rest of the province in marina facilities.

9:40 p.m.

Essex county is surrounded by water. We are only a couple of hours' boat ride from Ohio, and very close to Detroit, St. Clair Shores, Mount Clemens and that particular part of Michigan where there is a tremendous number of boats. One can go from Amherstburg to the American side and find marinas almost everywhere with boats of all sizes and shapes. People from all over the Great Lakes area stay at these marinas.

We do not see that in Essex county because we do not have such facilities; and the municipalities or the entrepreneurs will not put those



facilities in place without adequate assistance from the provincial government.

The Board of Industrial Leadership and Development proposals allow for some \$20 million over five years for the building of marinas. We want to make darned sure—and this should be one of the things the minister would wish to have done in his term of office—that we get adequate marina space in the Essex county area.

I also want to refer to the famous Jack Miner bird sanctuary in the Kingsville area.

**Mr. Newman:** It is the most outstanding bird sanctuary in the world.

**Mr. Mancini:** As my colleague the member for Windsor-Walkerville says, it is the most outstanding bird sanctuary in the world. I know some small assistance is provided by the government, I think in the range of \$2,000. That facility should be highly promoted by the government but it is not.

I do not know whether the minister's plans for his ministry include an inventory of the tourist sites available in Essex county. In Amherstburg, for example, we have the North American Black Museum. If the minister gets the chance to visit the Windsor area, we would really like to escort him through that museum.

The underground railroad brought the slaves from the United States through Detroit and into Essex county and as far as Chatham. Many of those people settled in the Amherstburg area, and they have built a superb museum. It would really be worth the minister's while to pay it a visit so that he could speak about it on his trips across the province.

There is also Point Pelee National Park, which is a bird sanctuary just outside Leamington in my riding. About three or four weeks ago I read in the Windsor Star that hundreds of bird watchers from across Ontario and various of the United States had already visited Point Pelee this spring.

I could speak for another hour about the different historic sites in my riding, but the point I am trying to make is that in order for the minister to have a proper tourism policy he has to know what is available in the province; he has to know what he has to promote. I would hope he would have his regional offices take an inventory of what would be of interest to tourists and establish what should be done to promote those areas.

It is not sufficient for members to rise in their places and bring these points of interest to the minister's attention. There is no way the minis-

ter is going to remember all of this. There is no way he is going to have time to go over Hansard and reread the speeches given by all the members. But if he had a policy in place which would help identify these sites and these modern tourist facilities which are available and which would interest people from other parts of Canada and the United States, that would be a step forward.

I will conclude by saying I know the minister will undertake his job in this new ministry with a lot of enthusiasm. This is a good opportunity to make a fresh start in the tourism field, and I wish him all the best of luck.

**Mr. Renwick:** Mr. Speaker, my remarks as usual will be brief. I want to speak to one special and particular problem of concern to me. I need not talk of my riding of Riverdale, stretching as it does from the Don River to Coxwell Avenue and from the lake to the Danforth and north of the Danforth to the borders of East York, because that is a magnet for the tourists who come to the Metropolitan Toronto area.

Our problem is how to cope with the influx of tourists. We have boating, fishing and swimming in the Don River. We have sport fishing at the outlet of the Hearn generating plant. We have the spit where they are dumping PCBs regularly in order to destroy the ornithological site at the end of the spit. We have most of the attractions, including, of course, an international cuisine which is unequalled in any part of Massachusetts or northern Ontario.

So I am speaking in a totally disinterested way when I talk about the question of tourism. I have only one thought at a time to put into the debate on this bill. I have been extremely concerned about the lack of convention capacity in areas outside Metropolitan Toronto. I think it is quite inconceivable that in a province like Ontario, for a political party such as the New Democratic Party, the Liberal or the Conservative parties—using political conventions only as an example—there can be only one place in the province that can accommodate 2,000 or 3,000 people for three days.

I am saying to the minister, not in criticism but purely as a suggestion, there must be some way. One can focus upon any number of centres in Ontario and say this centre has a capacity to deal with a convention of 250 to 350, 350 to 500, 500 to 750, and up to somewhat larger conventions.

I am not talking about international conventions. There are an immense number of conventions of moderate size that can only be held at

present in Metropolitan Toronto because there is a total incapacity in the government to co-ordinate the three fundamentals of a convention to be held elsewhere. The three fundamentals are accommodation, transportation and recreation. Those are the areas people are interested in when they are going to select a site for a convention.

I think it would be quite possible for this ministry to develop a policy that would say to people: "We the government will co-ordinate"—I am not talking about an expenditure of money—"the transportation, accommodation and recreational arrangements for a convention to be held in Thunder Bay of 1,500 to 2,000 people for three days, because we want you to come to that part of the province and we want you to spend some time there."

It is not a question of building massive hotels to accommodate that kind of convention; it is a question of whether the government has the capacity to focus on the problem.

5:50 p.m.

When a party leadership convention has to be held in due course, our party, the Liberal Party and the Conservative Party will have to say we can hold it only in Toronto. If our party simply wanted to arrange a provincial council convention, which might number a maximum 350 to 500 people, I am very much concerned that we cannot say to the government of Ontario: "Next September or October we would like to hold our provincial council meeting in such and such a place in the province. What are the co-ordinated arrangements that can be made for travel, accommodation, recreation and for the facilities necessary for conventions?"

If we persist in saying that conventions can be held only in Toronto we are doing a disservice to wide parts of the province that have the capacity, with the co-ordination, to meet those demands. I speak from no great knowledge of conventions, but most of them are internal conventions of one kind or another that are held weekly that people want to hold through the province but most of them of any size have to be held in Toronto.

Will the minister do something to co-ordinate those activities so that medium-sized conventions of all kinds could be held in Windsor, London, Ottawa, Sudbury, Thunder Bay, Timmins—wherever the arrangements are necessary? The answer is always the same. There are not adequate transportation facilities to get people in and out of those centres, there is not sufficient accommodation to house the people

when they are there and the facilities for meeting purposes are limited.

I happen to think this is the ministry that can say that those are not insurmountable problems, that we can meet the demands, that we can meet the needs, saying: "We want you to come to Thunder Bay, to Sudbury, to London, to Ottawa, to Cornwall, to Kingston, because we can co-ordinate for you a convention of 300, 500, 750, 1,500 people, whatever the numbers are."

"If you will get in touch with us, we will see to it that the transportation, accommodation and the facility arrangements are co-ordinated with all of the people who would be interested in developing that kind of co-ordination in those centres on a local basis and carrying out a concerted plan to provide the facilities."

We are missing out on an immense possibility to diversify the money that is spent, the interests of various parts of the province and the way in which people would respond to that kind of activity. I throw it into the pot for what it is worth. I do not expect it will be suddenly picked up, but I think it is a serious vacuum in the field of tourism that there is such a focus upon Metropolitan Toronto and such a lack of capacity to co-ordinate the ability to meet in many other places.

I would like to include even the city of Sarnia. A lot of people would be prepared to go there. It would need a concerted effort. It would need the sense to say that a lot of people would be quite prepared to stay in private accommodation for three or four days as part of solving the accommodation problem. With the educational facilities and other facilities in the city and, I am quite certain, with the educational and other facilities in most cities of this province, one can easily arrange for the facilities for meetings to be held.

One can certainly co-ordinate the transportation arrangements so people can leave from wherever they are in the province on a Friday, attend a convention on Friday evening, Saturday and Sunday and be home in time to go to work on Monday. For those conventions where the time is not so important in the sense of weekends, one should be able to arrange Mondays, Tuesdays and Wednesdays, so there is that capacity to get in and out of places in Ontario in a way that would be most attractive and beneficial to those communities. It certainly would be a treat for many people who have to attend conventions to be able to go somewhere other than a metropolitan area.

I make the suggestion because I think it is a



travesty that, in a province with the numbers of centres of the size we have, this ministry does not take it upon itself to diversify the convention facilities in the way I have tried to outline in a very amateurish way. I trust it would be a goal and an objective of this ministry to try to develop that kind of diversified convention capacity of which I have spoken.

**Mr. G. I. Miller:** Mr. Speaker, it gives me a lot of pleasure to rise and speak about the establishment of the new Ministry of Tourism and Recreation. I think a lot of good points have been made by all members of the House. I would just like to add a few points on behalf of my riding of Haldimand-Norfolk and as a member from southern Ontario.

The member for Riverdale (Mr. Renwick) made some good suggestions, such as the conventions being moved around Ontario. I think the minister is taking on a big responsibility in providing and utilizing a ministry that means so much to Ontario. By co-ordinating it properly, he can add so much not only to the people of Ontario but also for tourists coming into Ontario.

Maybe his ministry could help, perhaps using the Dash aircraft we had the opportunity of using for the trip put together by the member for Cochrane North (Mr. Piché). We had an opportunity to look at the north. By using that type of aircraft and setting up and co-ordinating tours, we could really sell Ontario, because we have so much to offer, whether it is in southern, northern, eastern Ontario or wherever, even down in Calabogie. That name always fascinated me. It is one of the finest skiing areas in Ontario. It has some of the finest runs, but it needs some facilities to match the quality of the outdoor life it has. I think the minister and his ministry are within a position to do that now.

I think the member for Sudbury East (Mr. Martel) indicated that we may be spending much money on arenas. I know one arena in my own riding that could use a new facility, the one at Port Dover. There are many good facilities. Maybe they should be making improvements for other recreational purposes by developing better attractions and utilizing some of that funding and some of the profits from tourism by putting it back, creating jobs and improving facilities.

I would like to point out we have the Talbot Trail, which was only established last year and runs from Windsor to Fort Erie. It was supported by the Ministry of Transportation and Communications, the Ministry of Natural

Resources and the Ministry of Culture and Recreation. I think that could be tied into a tour. As we put out our encyclopaedia, I would like to see it include one travelling area perhaps tied in, as my colleague the member for Erie (Mr. Haggerty) has indicated, with the Niagara Parks Commission and the St. Clair Parkway Commission to make a complete route.

**10 p.m.**

The member for Windsor-Walkerville (Mr. Newman) indicated that we have a tremendous population to draw on from south of the border something like 50 million people who are within a day's drive from Toronto. We have so much to offer.

An example in my own riding is the Grand River. Only this past week, a report came out in our Hamilton Spectator indicating it is one of the finest natural fishing areas in Ontario. It is close to the urban centres of Hamilton and Toronto. The Grand River is in need of a new dam at the town of Dunnville.

Port Maitland has tremendous potential as far as marinas and a deep sea port are concerned. As a matter of fact, there are plans afoot now to develop that, but it is going to take funding and it is going to take some leadership on behalf of this ministry. I hope the minister will see fit to contribute to projects of that type, such as the dam and fish ladder and a lock system. Perhaps some time we will even be able to navigate that stream to Brantford. I see the member is in his seat tonight. That would be a distance of perhaps 40 to 45 miles.

The dam is completed at Caledonia in stages that could well be created as a highway as it once was from 1830 to about 1865, when the railway and the plank road had developed from Hamilton to Port Dover. It has tremendous attraction. For the length of shoreline we are talking about along Lake Erie, there is certainly potential for much more improvement of facilities.

There is another example in my riding. From Dunnville to Port Dover, there is Nanticoke Creek and Sandusk Creek. Sandusk Creek at present is a natural marina, accommodating approximately 100 slips. There is potential at that harbour for several hundred more. Because of the erosion of the creek mouth, the water depth is not adequate and causes considerable problems getting in and out.

The member for Essex North (Mr. Ruston) pointed out to me that he has a similar problem with the Ruscon, I believe it is, on Lake St. Clair where there is a marina with 300 or 400 slips.

with the three-foot water level, it is still thin. It is almost an impossibility for the individual to maintain that slip, but with some help from the ministry perhaps it would be possible.

As a matter of fact, I know the one at Sandusky could be improved by proper rocking. We are trying to work out a deal now to utilize the board of Industrial Leadership and Development program, as has been done by Sarnia. The member for that riding put out a press release not long ago.

I would like to point out some activities. Port Dover has a natural harbour. Turkey Point has a natural harbour. There is Port Rowan at the entrance to Long Point. We have been in touch with the minister through the chamber of commerce of Port Rowan indicating its desire to have a tourist booth or centre at that location.

Port Rowan is 25 miles from any major municipality of any consequence and yet we have the provincial park, the Long Point Conservation Area at Backus, a natural bird-watching site at the Backus conservation area. We sponsored bird watching last year at 25 cents a bird, and my wife indicated the other day that she had earned \$25. She did not think she would see that many types of birds, but that adds up to 100 birds. It is an attraction where they have the Port Royal Wildlife Sanctuary on the old Lee Brown property, which covers several hundred acres and which is owned by the Long Point Region Conservation Authority; and there are geese, wild ducks and swans there year-round. It is a natural stopping place as is Jack Miner's Sanctuary down at the other end of the lake.

We do not have any accommodation in Port Rowan, such as motels or living accommodations. There is a hotel there, but it has not been developed as an accommodation for overnight lodgers. There are plenty of park facilities and camping facilities, but we certainly could use some accommodations such as motels or that type of service. As a matter of fact, the chamber of commerce is trying to promote the area so that the downtown area and the business section can stay alive and grow. It certainly could use some support from the ministry, and I hope it sees fit to do that.

I would like to point out too that we have a range of activities which begin in June in Dunnville. There is a fishing derby for carp in June—the name escapes me right now, oh yes, the Mud Cat Festival,—which is supported by all the organizations in Dunnville. From there, we move up the lake to Port Dover, where they

have the Lighthouse Festival, which was established only three years ago. They put on plays from June 12 until the end of the summer season. I know that the minister, through the Ministry of Culture and Recreation, has supported this before, and I hope he will continue to do so. If anybody has the opportunity, it is certainly worthwhile to spend a night there. They are really professional plays, put on in the old town hall, and they have developed a fantastic attraction.

Port Dover was an area of Ontario that at one time was really moving because American tourists had access to it, but with the coming of the Queen Elizabeth Way the traffic now detours from Fort Erie around by Hamilton on to Highway 401 and, consequently, we have lost a lot of trade from that particular area.

It is going to take the use of the Talbot Trail, promoting the activities we do have along that particular stretch and the parks we have. I think it is just a natural, and it cannot do anything but grow.

Turkey Point has a fishing derby, which is held in July, and Long Point Bay has tremendous freshwater fishing, probably some of the best freshwater fishing anywhere in the world. In August, Port Rowan has the Tomatofest, and they are trying to promote their municipality.

From there on one goes up to Port Burwell, but on the way you see another natural phenomenon, the sand hills. They have been there for generations, rising up to several hundred feet above the shores of Lake Erie, and they are just another attraction that can be utilized to provide so much entertainment for so many people in Ontario.

There is one other fishing event that takes place in the riding. It is winter fishing at St. Williams, ice fishing for perch. They bring out their fish huts in the winter time as soon as the bay freezes over, and there are thousands of huts. Again, there is some fine fishing for anyone, it is accessible and it provides a lot of recreation.

We have a wide variety of entertainment for summer tourists. There are two final activities that take place. The Cayuga Speedway is a three-quarter-mile track where they put on summer races. Last year they were not able to do it. They had to give up because of financial restraints; they could not get sponsors. But it is one of the finest speedway tracks in all of North America for that length of track. I think the



minister could play a role in giving some assistance in advertising that.

**10:10 p.m.**

The other track is one they call the Cayuga drag strip. The Cayuga drag strip is a straight track where they have a different type of racing; it is high-speed racing, starting from zero. It attracts some of the finest racers from around North America and provides much employment to the area. It provides business for our motels and their facilities, the Explorer Inn and various motels in all the municipalities, and contributes much to our economy. Again, the minister could be of some assistance by providing funding to promote this, because the costs are high, the overhead is high and the provincial and recreation taxes are high. To keep these alive, we have to be aware of this and try to give them some assistance.

In summing up, there are two things I am concerned about. One of them is to make sure that the area is promoted through the ministry in terms of package deals; they could be generated out of Toronto, in connection with the Niagara Parks Commission. The other is that the Talbot Trail could be added to the schedule under the direction of the ministry, as is the Niagara Parks Act, the St. Clair Parkway Commission Act and the St. Lawrence Parks Commission Act. That should be given consideration.

My final point is that we might put our area on a map; it is not in the encyclopaedia, although the the Simcoe-Port Dover area is designated. Now that we have the new town of Townsend and the industrial park at Nanticoke, I think it should be recognized and indicated in the mapping system so that all the attractions in that part of Ontario are made well known both to everyone coming into the area and to Ontario residents.

**The Deputy Speaker:** The member for Nickel Belt.

**Mr. Laughren:** Mr. Speaker—  
Interjections.

**The Deputy Speaker:** I know this bill is causing great concern and interest to all members of the Legislature, and the new minister is listening very attentively. We would now like to listen to the member for Nickel Belt.

**Mr. Laughren:** Mr. Speaker, thank God for your support in this chamber. Otherwise, I would feel very isolated.

I want to speak tonight on behalf of all the tourist operators but, more important, I want to

speak about the tourist potential of Shining Tree, Sultan, Ramsay and Foleyet—

**Mr. Piché:** Never heard of them.

**Mr. Laughren:** That is the point I wanted to make. The member for Cochrane North says he has never heard of those places. That is part of the problem. The source of the problem is not so much the present minister, who has not had time to wreak havoc in those communities—but give him time and I am sure he will make his mark—as it is the Minister of Northern Affairs (Mr. Bernier) and the Minister of Natural Resources (Mr. Pope), each of whom has made his mark in those communities and is doing his little bit to make sure that tourism in northern Ontario never reaches its true potential.

That is becoming increasingly obvious. Every time the Minister of Natural Resources signs a new forest management agreement, it is obvious that he is taking a little bit more away from the tourism potential of northern Ontario.

**Hon. Mr. Sterling:** And provided a few jobs.

**Mr. Laughren:** A few jobs? Yes, I will grant the fact that the Minister of Natural Resources has provided a few jobs to friends of his Tory cabinet ministers in northern Ontario. I will concede that point. The minister of justice—

**Hon. Mr. Sterling:** Something like that.

**Mr. Laughren:** Something like that, yes. He makes a good point and I hope he will tell the Minister of Natural Resources he is pleased that some of his friends from Ottawa have taken away jobs from people in northern Ontario, in small communities with high unemployment rates. His friends have managed to take a few jobs away from people in the north who need those jobs. I am glad that the minister understands what it means when he is able to get one of his friends into some kind of summer position in northern Ontario.

I did not want to talk about that this evening because there are too many other things to talk about. Other speakers have talked about the whole question of the environment in northern Ontario. I will not repeat those arguments but it really is important that the minister understands that when he is receiving lobbies from different interest groups in the province, there are some interest groups in the province who have such a narrow interest they fail to take into consideration the fact that very often what they are arguing for is being argued against by some other group with whom they think they have a like-minded interest.

For example, in the north the chambers of



commerce are always arguing for more industry and for us not to be so hard on Inco. Even the regional Municipality of Sudbury said the Minister of the Environment was being too hard on Inco when he set new emission standards. The regional municipality and the chamber of commerce were making that argument while the tourist association was complaining about acid rain in northern Ontario. Those are people who are ideologically like-minded but who are making different arguments to the Minister of the Environment.

At some point the government has to say to those people, "Would you get your act together and decide what your tradeoffs are going to be." In northern Ontario, we get very tired of those groups trying to have it both ways.

I went to a presentation in Sudbury about a month or six weeks ago in which the regional development corporation had a slide presentation called "Image Sudbury." In Sudbury, the region is spending something like \$78,000 or \$80,000 on the "Image Sudbury" presentation to improve the image of Sudbury. This is a slide show, to which any members here and any interested group in the province can have access, to extol the virtues of Sudbury. If one looks at that slide show, one would think that Sudbury was an environmental Utopia. That is what one would think if he saw it.

The member for Sudbury (Mr. Gordon) thumps his desk as though he believed that too. Does the member for Sudbury really believe that in Sudbury we live in an environmental Utopia? No; I am glad to see he shakes his head. I am glad to see the member for Sudbury recognizes there are still some environmental problems in Sudbury. But if one looked at that slide presentation, he would think that it really was Utopia. One sees the lakes, one sees the big homes and the parks there and one sees nothing of the evidence of the pollution in the Sudbury area.

Let us not kid one another when it comes to the whole question of attracting tourists to northern Ontario. The environment is a problem. For some reason we seem to think that if we improve the image of Sudbury, everything will be solved, instead of saying that the image will improve when the reality improves. No, there are groups who say, "You improve the image and after that, somehow people will understand that the reality is different than what it really is." That is total nonsense.

**Mr. Stokes:** It is called rye on the rocks.

**Mr. Laughren:** Yes, that is the tailings project. If the new minister wants to do something

about increasing tourism in northern Ontario, he had better start with the reality and not the image. I defy the minister or anyone else to show us that the image can change people's perceptions in any meaningful way.

We are prepared to support initiatives that will improve the reality of northern Ontario but not those that are simply razzmatazz to improve the image. I believe if we are talking about tourism and recreation, and the two are not separate, we must have a long-run view of them. We cannot simply look at what maximizes the dollars tomorrow, because a lot of things that attract people must be looked at from a long-range view.

**10:20 p.m.**

There is a big debate going on now in northern Ontario between the pulp and paper industry and the parks enthusiasts, and I assume very shortly the Minister of Tourism and Recreation will be involved. It has to do with the extent to which we set aside parts of northern Ontario for wilderness areas or wilderness parks. Personally, I am a wilderness area enthusiast. I really believe that 100 years from now—and I said this last week in a debate here, but I think it is worth repeating—we are going to be judged more on the parks and wilderness we preserve than on the cords or the cunits we cut in our forests.

It is a very simple thing to say we are going to maximize the potential of our forests in the short run. In the long run, perhaps we will not be here to regret it, but those who follow us will. The pulp and paper industry is always making the argument that it needs more of the forests. Right now, three per cent of the productive forest potential in northern Ontario is set aside for parks. The parks enthusiasts want five per cent; so we are talking about two per cent of the potentially productive forests in northern Ontario.

The pulp and paper industry people say, "Despite the fact that the forestry management agreements are going to solve the problem for future wood supply, we need that two per cent." Despite the fact that there is not a crisis in supply, they still need that extra two per cent and they will not give it up so that we can have a viable wilderness parks experience, not so much for this generation as for the generations that follow. If they really believe we are in a situation where we can have wood supply in perpetuity because of regeneration and because of the commitment of this government, why do they



insist on having every conceivable tree at their disposal?

I hope the minister will call their bluff and say that we can have the best of both worlds in this province. We can maximize a reasonable potential for wood supply if we implement an appropriate annual allowable cut under the forest management agreements and, at the same time, set aside the appropriate reserve for wilderness parks, gene pools, ecological preserves, or whatever we wish to call it. We are basically saying we want to set aside in their natural state so much of the forests of northern Ontario. I believe, in the long run, that is an investment we will never regret.

I know the government is under tremendous pressure in the short run to create employment, particularly when there is unemployment in northern Ontario. But in the long run we will be better served if we can set aside those natural preserves for future generations in this province. I understand the Minister of Tourism and Recreation will have enormous difficulties. We have a new ministry, one that as yet has no clout within cabinet, and it will have an enormous problem in competing for these preserves, for these priorities, with the Minister of Natural Resources.

I think what the minister should do is tell the Minister of Natural Resources that if he does not listen to him he will not refer any of his friends to him for summer jobs. Why does he not just get really tough with him and tell him he will not tolerate any of his high-handed tactics when it comes to setting aside preserves? I really believe we will all be better served in the long run.

**Mr. Conway:** Does Ed Havrot do the hiring for Nickel Belt?

**Mr. Laughren:** I think it is best that I not be diverted into any kind of debate with or comment about the member for Timiskaming (Mr. Havrot). Besides, I have always believed that when a member is serving his last term in this place, we should be kind to him or her. I will not comment on the member for Timiskaming.

On the other hand, I have often wondered how it is that the Conservative members from northern Ontario are able to—

**Mr. R. F. Johnston:** Especially the member from Hearst.

**Mr. Piché:** For Cochrane North.

**Mr. Laughren:** No, that is the former mayor of Hearst. The people of Kapuskasing kicked him out, too.

I have always wondered how it is that the Conservative members from northern Ontario are able to go back to their constituents and say, "When we are down there in Toronto as a member of the governing party, we have fought for more tourism in northern Ontario, for more jobs in the forests, for a smaller proportion of the forest to be set aside for preserves, for lower gas prices and lower sales tax in northern Ontario and for more jobs for our young people in northern Ontario."

How is it that those members from northern Ontario are able to come down here to Toronto, support the government on every single initiative they take, whether it discriminates against northern Ontario or not, and then go back to their ridings and pretend they have stood up and spoken on behalf of their constituents when in fact they have done nothing of the sort.

It is going to catch up with them. I know, for example, the number of calls I get from Cochrane North, from people—

**Mr. Stokes:** I get more than you do.

**Mr. Laughren:** Well, I don't get many.

**Mr. Ruston:** I bet the member for Armourdale (Mr. McCaffrey) gets more than both of you.

**Mr. Laughren:** I do not get a lot, but I had one in which the constituent was threatening to move to Foleyet. I talked him out of that.

Mr. Speaker, I conclude my remarks.

**Mr. Ruston:** Mr. Speaker, we have had a wide-ranging debate here. If no one else wants to speak, I would like to say a few words, but I only have about a minute and a half. Maybe I could just briefly cover two or three items.

We are on the Lake St. Clair shoreline, and fishing is one of the main items in our area. In fact, the Lake St. Clair area is known as probably one of the best fishing areas in Canada.

We have some problems, as the member for Haldimand-Norfolk (Mr. G. I. Miller) has mentioned, with some of the rivers that flow into Lake St. Clair; and we have trouble getting the small boats out because of sand filling in the mouth of the river. It is always a problem finding who is responsible for seeing that these are kept open. I might remind the minister that in the past the province of Ontario has taken some interest in this and has paid towards using either a sandsucker or dredging machines to clean them out. I would just draw that to his attention.

I will leave it at that, since it is closing time.

On motion by Hon. Mr. Baetz, the debate was adjourned.

The House adjourned at 10:30 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 36

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Thursday, April 29, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, April 29, 1982

The House met at 2 p.m.

Prayers.

## FUEL CONVERSION PROGRAM

**Mr. Samis:** On a point of privilege, Mr. Speaker: A week ago the member for Port Arthur (Mr. Foulds) and I raised several questions about a report from officials within the Ministry of Labour regarding hazards involving the approximately 13,000 vehicles in this province that were converted to propane. At the time, the Minister of Transportation and Communications (Mr. Snow) said he was not aware of the report, but he was rather upset by its contents.

In view of the serious nature of the allegations in that report affecting the health and safety of motorists in this province, Mr. Speaker, I wonder if you could use your good office to ascertain if the minister will report to the House on whether he has done anything as a result of the report, or whether he has decided not to accept the report. Surely, members of this House are entitled either to a statement or to a response from the minister in view of the seriousness of the allegations.

**Mr. Speaker:** I am sure the minister will take note of the member's concern, and will respond as quickly as possible. I shall draw it to his attention.

## STATEMENT BY THE MINISTRY

### STOUFFVILLE DUMP

**Hon. Mr. Norton:** Mr. Speaker, I know that many of the honourable members have been following the issues raised in the last number of months concerning the Whitchurch-Stouffville landfill site operated by York Sanitation Co. Ltd. There has been a considerable amount of concern among residents of that community that the quality of their drinking water has been affected by leachate from the landfill site. While the public health concern is not supported by the evidence gathered in an extensive and far-reaching water quality monitoring program by my ministry, it does persist in the minds of the many residents. I believe their peace of mind will benefit substantially from three decisions I am announcing today.

First, the ministry's director of environmental approvals, after an extensive review with qualified technical advisers, has rejected a proposed expansion of the York Sanitation landfill operations.

Second, the director is preparing a notice to revise the certificate of approval for the existing operation. This will set stringent environmental controls, spell out the quantity of wastes that will be permitted at the site and serve notice to the owner that the site will no longer accept garbage after June 30, 1983. It will likely take a further six months to properly restore the site as part of the close-out procedure.

Third, my ministry is requiring the operator to provide water service from the Stouffville municipal system to the 12 homes closest to the landfill site.

As members know, following extensive hearings last year the Environmental Assessment Board recommended that approval be given to the application by York Sanitation to expand landfill operations into adjoining areas of their property. The director of environmental approvals, who is responsible for certification of waste management sites and other community services, reviewed this recommendation, all relevant documents and technical evidence and a continuing flow of scientific information from monitoring activities in the area. Based on this review and continuing consultation with qualified technical staff, he has ruled against the application to expand.

There are a number of technical considerations that are key to this decision:

First, the application for expansion submitted by the applicant is conceptual and lacks the necessary information and data required by the ministry to evaluate the proposal fully.

Second, the information that has been provided has some fundamental errors which make the proposal unacceptable since the site may create a nuisance and a health hazard. In addition, ministry staff and the director are not satisfied that the liner which York Sanitation proposed to use would provide the degree of protection required for the landfill operation.

Third, it is apparent from studies that the area proposed for expansion is significantly different and more sensitive than the areas which were previously landfilled. The northern portion is a



significant source of necessary ground water recharge and therefore susceptible to contamination from filling the northern portion.

Fourth, the Ministry of Natural Resources has advised us that part of the proposed landfill expansion falls in a provincially significant natural bog area containing several regionally rare plants which would be adversely affected.

The existing landfill operations at the site have been conducted under short-term certificates of approval issued by the director while ministry staff studied all facets of the application and the operation of the existing site in relation to the extensive monitoring we are now conducting in the area.

To date, we have completed more than 25,000 analyses of some 2,000 samples of drinking water taken from wells in the area. Although all of the analyses to date have not detected levels of any hazardous contaminants in the local wells attributable to the landfill site, the disposal operation did produce detectable changes in some of the nonhealth-related parameters, such as hardness, sulphates and chlorides. While these upward trends are not significant in themselves, they must be considered in conjunction with the history of the site.

Therefore we have decided to take the additional two measures which I outlined for the long-term protection of the local environment and community health.

We will order the company to provide a municipal water supply from Stouffville to the 12 properties closest to the landfill site where the possibility of long-term effects, if any, are most likely to occur. The director of environmental approvals will issue a new certificate of approval governing the existing site and serve notice that the owner must not receive wastes after June 30, 1983.

During that time, the operator will be allowed to accept no more than 1,100 tons a day until an allowable final contour of the site is reached. This will bring the present site to capacity and provide sufficient time for York Sanitation to reallocate its operations to other locations without disrupting service to its clients.

The owner will be required to complete covering, contouring and landscaping necessary for the environmentally safe closing of the site. The close-out conditions will also require the company to design and develop long-term monitoring and environmental protection measures for the site's permanent security.

My ministry will continue to impose enforcement and application of all existing environ-

mental protection measures at the site as a condition of continuing operation. This will include the ongoing ground water monitoring program conducted by the company and we will require substantial but fair financial security to be posted by the company to ensure the security of the site after it is properly closed.

Ministry staff will maintain our ongoing program of monitoring and water quality analysis to ensure no long-term problems arise from this site either before or after its closure.

In arriving at these decisions, all factors were carefully weighed and several regulatory options were considered by the ministry. All of the necessary resources of my ministry will now be applied to see that the course of action required is implemented by the company as quickly and as effectively as possible.

## ORAL QUESTIONS

### PHYSICIANS' SERVICES

**Mr. Peterson:** Mr. Speaker, I have a question for the Minister of Health. He is under the gallery. Perhaps we could wait for a second until he takes his seat. Perhaps you could urge him.

**Mr. Martel:** He is coming on stage; he wants the cameras on.

**Mr. Nixon:** Perhaps a drum roll would be in order. Do you have a statement?

**Hon. Mr. Grossman:** Later.

**Mr. Bradley:** Wait until the cameras are in place.

**Hon. Mr. Grossman:** Too early.

2:10 p.m.

**Mr. Peterson:** Mr. Speaker, let me welcome the Minister of Health on his early arrival today. Perhaps he will be so kind as to bring the House up to date on the state of the negotiations with the Ontario Medical Association after his personal intervention, and let us know whatever information he has gleaned about the state of disruptions in the hospitals. I refer specifically to the number of cancelled operations and the state of the hospitals in this province.

**Hon. Mr. Grossman:** Mr. Speaker, the negotiations were quite productive yesterday. It was a long and useful session. I had a chance to exchange with the members of the board of the OMA the government's views of the situation, to confirm our bona fides, our belief in the profession and our desire to arrive at a fair settlement. I explained to them why I thought the current proposal was fair, and they had an opportunity to explain to me why they thought

their demands were reasonable. They also had an opportunity to explain just how angry they were, and why. All of that was useful to both sides.

Before we finished, after a long four and a half hours, we agreed that it would be useful for the negotiators to reconvene today. At the start of all this I said this was a situation which changed literally from hour to hour. The negotiators have spent many hours of many days looking at many proposals and, notwithstanding the fact that both sides expressed reluctance to send the negotiators back to the table if we did not feel there was some purpose to be served, it was agreed that the negotiators could perhaps do something useful today. As a result, the negotiators began meeting this afternoon at 1:30. I am awaiting word from our negotiators as to the progress of those negotiations. I hope they go well, once again, as I am sure the member does.

**Mr. Speaker:** A supplementary question by the Leader of the Opposition.

**Mr. Peterson:** This is not a supplementary; it is part of the original question. I asked the minister about the state of the hospitals in the province, how many cases of cancelled surgery there have been and what reports he is getting back about the disruptions and the possible threat they represent to the health care system in this province.

**Mr. Speaker:** That would properly be a supplementary.

**Mr. Peterson:** It is not. That was the second part of the original question, as you will recall. I am sure if you check Hansard, you will agree.

**Mr. Nixon:** I remember it clearly.

**Hon. Mr. Grossman:** I do not remember that, but in any case—

**Mr. Kerrio:** That is a very convenient memory.

**Hon. Mr. Grossman:** I have a short memory. Rather than list 250 hospitals, it might be helpful to provide the member with some breakdown by regions. This is as of yesterday.

In the eastern region there was no increase in emergencies. In fact some hospitals had a reduction in emergencies. In eastern Ontario, cancellations of elective surgery were about 40 per cent. Generally speaking, most physicians were available in most hospitals.

In the southwestern region, emergencies were about the same as usual, in fact also with some decrease. Elective cancellations were running between 60 and 80 per cent. Generally speak-

ing, there were no serious problems reported by the hospitals in this region.

In the central west region, emergencies generally increased. Elective cancellations were about 15 per cent and no serious problems in general were reported.

In the central east A region—I can break these out if required—there was no increase in emergencies. Elective cancellations ran between 25 and 50 per cent. In general the hospitals reported no serious impact as a result of the job action.

In the central east B region, emergencies generally increased and elective cancellations substantially increased. But again, in general no serious problems were reported.

In the northern region, emergencies generally increased and elective cancellations substantially increased. However, there were no serious problems.

The foregoing is the general situation with the hospitals as learned from phone calls made and received by the ministry to and from all our area teams throughout the province. I can give the member some information with regard to some specific hospitals if he so desires.

**Mr. Peterson:** Given the already serious backlog in the system, albeit in some hospitals it is more serious than others, and given the compounding effect that these cancellations have on that, is it the minister's plan to now accept further job action next week or does he have an alternative to that?

**Hon. Mr. Grossman:** Yes, I do have an alternative and that is a negotiated agreement.

**Mr. McClellan:** Mr. Speaker, the minister is still not able to say anything other than that, generally speaking, there have not been any problems. I am sure everyone regards that as about the most ominous thing he could say.

Can the minister give us an understanding of how many hospitals have replied to the telexes sent out on April 20? Can he tell us how many hospitals have replied indicating they were totally prepared to deal with a withdrawal of medical services and how many hospitals and which hospitals indicated they were not prepared for the walkout? Can he also tell us how many hospitals in the province are in a category for which the minister cannot say they are prepared or not prepared?

**Hon. Mr. Grossman:** Subsequent to the telex, I believe my area teams have been in touch with each and every hospital in the province, almost all.



**Mr. McClellan:** Does the minister know or does he not know?

**Hon. Mr. Grossman:** The captains of the area teams have reported to us that all hospitals have been contacted.

**Mr. McClellan:** Either he knows or he does not.

**Hon. Mr. Grossman:** I have been in this House a little bit too long, unless I have seen details of the phone calls from 250 hospitals, to put myself in a position of allowing the member to stand up tomorrow on a point of personal privilege to say he has information from someone, who works as a clerk in someone's office in some hospital, that they were not contacted.

I can report to the member that my staff indicates every hospital has either communicated by letter or been spoken to by phone. Again, there may have been one or two missed, but I do not believe that is the case.

The process we used was so effective that where any deficiency was reported to the area teams and the ministry, we were able to work with the hospitals to make sure that the hospitals were satisfied they could meet their obligations under the Public Hospitals Act.

While I emphasize I believe job action should not have been taken, if the member will look at the hospitals across the province and what did happen during the last two days, he will note the hospitals were able to cope. With the co-operation of the physicians, they put in all standby mechanisms, in some cases increased the numbers of physicians on duty in emergencies where necessary; doctors did make their hospital rounds the way they are required; hospitals had put in sufficient mechanisms to ensure that where elective surgery either had not been scheduled or was cancelled for some people, appropriate steps were taken to ensure those operations were either proceeded with if they became emergencies, or rescheduled at a reasonable time.

If the member will look at the sequence of events over the past few days, when we have had a chance to analyse what happened in the hospitals I believe we will find that many of the procedures that would have been booked for Tuesday and Wednesday were booked on Monday, today and Friday, so that there was a longer use of the operating rooms during those three days. A great number of those cases that were cancelled were proceeded with some time this week. I cannot say all of them or the majority, but a great number.

**Ms. Copps:** Has the minister or a member of his staff been in contact with any of the support people involved in this moving around of elective surgery, for example the president of the Registered Nurses' Association of Ontario, who believes that the nurses are already strapped to the limit in trying to cope with the increase in elective surgery on days not included in the doctors' walkout. If he has not been in touch with the RNAO personally, why not?

**Hon. Mr. Grossman:** This morning, I spent the hour from nine to 10, not only with the president but also with the president-elect and 700 members of the Registered Nurses' Association of Ontario, to whom I delivered a speech which the member will be delighted to know was warmly received and was interrupted by applause four times. The president had every opportunity to relay all her concerns to me.

2:20 p.m.

## HYDRO EXPORTS

**Mr. Peterson:** Mr. Speaker, I have a question for the Minister of the Environment. The minister, I am sure, is well aware of the National Energy Board decision giving its approval to the General Public Utilities cable. It is now very clear that this matter is coming back into the minister's court with respect to his opinions and influence on the effects it will have on the environment if this project goes through.

Who is speaking for the environmental concerns on this issue? Is the minister prepared now to have an open environmental hearing on the matter so that we can publicly discuss all the questions attendant thereto?

**Hon. Mr. Norton:** Mr. Speaker, I want to make it clear to the Leader of the Opposition that nothing has happened at the NEB hearing which in any way has brought it back into my court, I think was his expression.

The process, as he knows full well, is unfolding. The matter will be before the Ontario cabinet at the appropriate time. That has always been part of the process, and still will be. At this stage, as he knows, the matter is before the federal cabinet.

If he wants to know what influence is going to be brought to bear and what opinions I have on the matter, I do have some very strong opinions and they will be part of my submission and recommendations to my colleagues when the matter is before the Ontario cabinet.

Unlike the federal Minister of the Environment, I do not consider that my oath of office is

such that I can discuss publicly at this point my recommendations to cabinet. I think the Leader of the Opposition will realize the degree of influence that the Minister of the Environment in Ontario has is probably more substantial than has been demonstrated by the recommendations of the federal minister to the National Energy Board.

**Mr. Peterson:** Let me warn my friend the minister about his declaration of the world unfolding as it should. Others have made that kind of statement in the past, and it has come back to haunt them.

The minister is aware of the legal opinion that was presented to Ontario Hydro, and I assume it is Hydro's official position that the government of Ontario retains the ultimate power over this project by virtue of sections 24 and 70 of the Power Corporation Act, both of which require an order in council before such a project can proceed; that clearly puts the ball in the minister's court.

I have heard, and perhaps the minister will confirm, that he was planning a special hearing on this matter but that the stronger voices of the Hydro interests in cabinet were able to suppress his environmental concerns. How can we be sure the minister has a strong voice when he is not prepared to discuss this publicly? Since this violates the entire spirit of the environmental legislation in this province, why can we not have an open hearing? The minister is no good behind closed doors.

**Hon. Mr. Norton:** I caution the Leader of the Opposition not to believe all the rumours he hears. I realize his desperate wish to understand environmental issues may lead him to be gullible at certain times, but that is a very dangerous area in which to unleash his gullibility. With respect to what goes on in cabinet, I do not think his sources are very reliable.

**Mr. Foulds:** Mr. Speaker, is the minister telling us that he and the cabinet to which he now belongs are ready to repudiate the commitment given clearly and unequivocally by his predecessor, Mr. Parrott, on April 22, 1980, to the member for Ottawa Centre (Mr. Cassidy), when Mr. Parrott said the project would be "subjected to the full environmental procedure under Ontario's Environmental Assessment Act"?

What has changed since that date to make the minister so wishy-washy at the present time? Does he not think the people of Ontario would be prepared to pay not only for full environmental assessment hearings but 10 cents a month to

avoid the additional acid rain that will result and that will fall in Ontario?

**Hon. Mr. Norton:** Mr. Speaker, there is no question of a repudiation of anything that either my predecessor or I have said. I am not sure whether the answers to the questions on the Order Paper have yet been tabled; there are three legal opinions, one of which runs to something in excess of 50 pages, which are being tabled in the House and I would commend them for reading. They will answer the question in terms of the status of our Environmental Assessment Act in this particular instance.

I share a very deep concern about environmental matters with some of the interest groups in the province. One thing I am becoming increasingly impressed by is the fact that there are many people who are concerned about the environment, but they are very bad at arithmetic. If one looks at the available information on the existing regulation on Ontario Hydro, if one looks at the data with respect to the emissions that may be attributable—

**Mr. Foulds:** Just keep the promise.

**Hon. Mr. Norton:** I certainly am keeping the promise. Don't worry about that.

If the honourable member keeps repeating this assumption often enough, I am sure he will convince himself that there will be increased emissions, and increased contributions to acid precipitation. The fact of the matter is that is not correct; we are reducing them. One might also read the National Energy Board's decision, which includes some very significant comments on that very subject.

**Mr. G. I. Miller:** Mr. Speaker, in view of the answer the minister has given, and in view of the fact that the federal Minister of the Environment has opposed the recommendation of the National Energy Board which has no proper imposition of tough acid rain controls, will the minister now assure the people of Ontario that he will participate in and give them the opportunity to participate in environmental assessment hearings? Also, since the minister did not participate to any great extent in the National Energy Board hearings, will he indicate to the people of Ontario what is really going to happen because of the export of this power?

Incidentally, it is going to provide 500,000 more tons of acid rain over the 10-year period.

Will the minister now assure the people of Ontario that the Environmental Assessment Act will be applied so that everyone can have an opportunity for input?



**Hon. Mr. Norton:** Mr. Speaker, I can assure the honourable member that all of the environmental impact issues are being looked at in great detail and that the executive council of this province, when it discharges its responsibility under the Power Corporation Act, will be fully advised on all environmental aspects; and I assure him that will be a very important part of the consideration.

Once again, I would emphasize, and this is not to foreshadow in any way what the decision of the cabinet might be, that even if there were no further controls imposed upon Hydro, the assumption about the increased contribution to acid precipitation is still wrong. Whether this goes ahead or not, Ontario Hydro will be reducing its emissions by about 50 per cent.

**Mr. Kerrio:** Tell your American friends that.

**Hon. Mr. Norton:** I have. They are not as hard to convince as some of the sceptics on the other side of the House here. The honourable members not only blind themselves to the facts but they cannot add two and two.

**Mr. Epp:** Mr. Speaker, on a point of order: I want to send over to the minister my \$1.40, which will make up for the amount of pollution that will fall on my property; I am prepared to give him \$1.40 to make up for that.

**Mr. Speaker:** Order. That is not a point of order. The member for Port Arthur with a new question.

**Mr. Foulds:** I might remind the honourable member that we do have very effective pages who can do the job he has just requested.

2:30 p.m.

### PHYSICIANS' SERVICES

**Mr. Foulds:** Mr. Speaker, can I ask the Minister of Health whether he can give us his categorical and absolute assurance that none of the cancelled surgery yesterday throughout the province, and in excess of 500 cases in Metro Toronto, was urgent? And can he assure us that there was not the slightest health risk involved in any of the cancelled surgery?

**Hon. Mr. Grossman:** Mr. Speaker, quite obviously I cannot give the honourable member a categorical assurance at 2:30 this afternoon about all the cancellations that occurred yesterday. He knew that when he asked the question. If a more reasoned and fair question were asked, such as whether we are going to be getting information from the hospitals that will allow us to review all those cancellations and ensure that proper action is taken in each and

every case where there is the slightest risk to health, the answer to that question is yes.

**Mr. Foulds:** Maybe I can ask the minister, as rationally and calmly as I can, what he thinks the degree of risk should be for the patients of Ontario. What does he think the degree of risk is going to be next week during the three-day walkout? What level of risk for the patients of Ontario is he willing to tolerate before he takes action to end the walkout? How much gambling is he going to do with the health of the people of Ontario?

**Hon. Mr. Grossman:** The simple answer is that I expect each and every physician in Ontario to meet the same standard of care for his or her patients that he or she maintained before the strike began. That is very simple and very clear. It is their obligation under the legislation and they cannot fail to meet that obligation. They have to decide how they choose to meet their obligations to their patients, as indeed they have to decide when they take a three-week holiday or a one-day holiday or when they happen to be sick themselves.

Whatever sequence of events and whatever causes their absence from their offices or causes them to have to cancel elective surgery, I expect them to be as careful and as cautious in the case of rescheduling or looking after their patients during job actions as they are when they are absent from their offices for other more reasonable reasons. That is very simple.

**Mr. Bradley:** Mr. Speaker, does the minister not realize that under the present circumstances, when a death occurs or a serious downturn in a patient's wellbeing occurs in the context of the strike, the family and friends and others will attribute the death or the downturn to the strike? Does he not recognize that it is going to cause severe problems for the medical profession, and indeed for the Ministry of Health, when we find out that across Ontario there are examples of people who, unfortunately, have had deaths and are going to attribute them to the doctors' strike, whether it can be proven or not?

**Hon. Mr. Grossman:** Mr. Speaker, the honourable member raises a very valid point, and I for one urged that message on the Ontario Medical Association in one of the private meetings I had prior to yesterday.

The member has heard me indicate that we believe it is important that all steps be taken to protect patients' health and welfare throughout this job action. He has also heard me indicate

that I think the job action is inappropriate. He has also heard me say that I believe in some cases that, while health was protected, there are circumstances in which the job action presents a terribly unfortunate and in some cases tragic appearance surrounding it.

I say in all seriousness to the member, I could not have stated the case to the OMA with more urgency and emotion than I did. Not yesterday, but on a previous occasion, I indicated to them that regardless of how outraged they are at their current levels of income—and I make it quite clear that I do not think they ought to be outraged at their current levels—no matter how unhappy they are with their working conditions or their incomes, there are certain actions they have decided to take that will have certain implications for the general reputation and high degree of respect I believe the population still has for the profession which cannot be bought and never can be regained.

I said this with as much passion as I could, and I like to believe the OMA did not think I was saying it from the standpoint of a negotiating tactic, nor as the Minister of Health, but as a citizen of this province. I said they had to think very carefully about the implications of what they were doing, because certain perceptions would arise that would cause irreparable damage in some cases to the reputation and high regard we all hold for the profession. In politics, we know that the perception and the reality may not be quite together but that after a while the perception becomes very much a part of the reality in terms of things like regard and respect.

I make it very clear that I believe the government's offer, had it been even less fair or generous than it was, did not warrant the job action for precisely the reason the member points out. There is a price paid every single minute of every day when a job action is undertaken or even talked about, let alone in those circumstances where people will emotionally connect what has happened to them personally to the job action that is being taken. This can never quite be repaired.

The problem for government is that there is a temptation for us to do almost anything to stop that situation from developing, because we care, as all members of this House care, about the regard our citizens must hold for our profession in order to have the whole system work.

I regret that the doctors have decided to go ahead with it. I am aggrieved by some cases that have been brought to my attention. It is clear

after thorough investigation that nothing could have been attributed to the job action; but none the less, the aggrieved families—and certainly I would share that—will feel that it was somehow related. It would be hard at this emotional time to disconnect them emotionally.

I have urged that position every time I have had an opportunity to talk with the profession. I suppose, because I am one of the people negotiating, it is seen not to be as sincere as I know the member's concern is. I hope the physicians are aware of all this and pray, as I do, that the instances in which that happens are minimal.

**Mr. McClellan:** Mr. Speaker, leaving aside the secondary concern about the image of the profession, I would like to focus again on what I think is the central issue; that is, the degree of risk or threat to health care.

Since the minister has admitted in response to the question of the deputy leader of this party that he cannot tell us the degree of risk involved this week, he is therefore gambling that there is no threat to patients or of his being in default of his duties under the Health Disciplines Act.

Can the minister tell us how much more gambling he intends to do? Does he intend to permit the level of risk this week to take a quantum leap next week, with three days of back-to-back withdrawal of service, when he cannot assure us that there is no risk today?

**Hon. Mr. Grossman:** Mr. Speaker, in these circumstances I think it would be a little more appropriate for the honourable member not to take the time to set up a political scenario which will allow him to lay the blame on this minister or this government in the event that some physician or some hospital fails to meet their obligations.

**2:40 p.m.**

If the member will think about it for a second, that question could be asked of me whether or not there is a strike on. On any normal day of any normal month of any normal year, there are all sorts of things happening in the hospitals of this province. That is why we have hospital boards. That is why we have regulations in place calling for things such as medical advisory committees. That is why we have accreditation in place. That is why the College of Physicians and Surgeons of Ontario is well armed with legislation. That is why we have a variety of things in place.

He could ask the same kind of question literally on any day of the week. The answer to



the question is simple. To the degree to which we must rely upon the hospitals, the physicians and everyone else in the health care system meeting their duties under the legislation, the risk is unchanged. Whether or not a physician is absent or many are absent for reasons related to strike action, those hospital bylaws are in place.

The medical advisory committees and the physicians have certain responsibilities. The only risk I take is that someone will suddenly decide to violate a hospital bylaw, to violate a regulation of the College of Physicians and Surgeons or suddenly to undertake medical malpractice or professional misconduct. That kind of risk is in the system every day of every year in every country, in every jurisdiction. That happens to be the fact.

To date, as one reviews the activities as they have been undertaken, the physicians and the hospitals have gone to great lengths to meet their obligations. Are they being met in every single instance? Obviously I cannot answer for every single instance, because we do not have all the information in yet. But I say to the member that if he had asked me this question last March, before the strikes were undertaken, I equally could not have answered the question, because it depends on everyone in the system exercising his responsibilities under the legislation.

We write the legislation, we pass the legislation and we enforce the legislation; but if someone is going to undertake medical malpractice or ignore the needs of his patients, that is on his shoulders. I do not believe they are about to do that.

**Mr. Foulds:** I am sure the patients of Ontario are glad to know all the regulations are in place. It is too bad the doctors have not been.

#### EQUAL PAY

**Mr. Foulds:** Mr. Speaker, I have a question for my middle-aged adversary the Minister of Health with regard to the Gunderson report.

**Mr. Speaker:** The Minister of Health?

**Mr. Foulds:** Pardon me; the Minister of Labour. Does the minister fully realize that his ministry recognizes as a matter of law that it is all right to pay women in Ontario less than men for work of equal value requiring equal skill, effort, responsibility and working conditions?

He will recall that on April 3 he said: "Within a few weeks I expect to release a report from Dr. Morley Gunderson of the University of Toronto. I believe that his latest findings will shed

further light on the causes and possible remedies to narrow the gap between wages paid to men and women."

Now that the Gunderson study has been made public and in it he says, "Equal pay legislation in Ontario has not been able to reduce the earnings gap significantly," will the minister bring to the Legislature before we rise in June a bill requiring equal pay for work of equal value which will remedy the situation?

**Hon. Mr. Ramsay:** Mr. Speaker, in reference to the age factor that was brought up earlier, I had always thought the member for Sudbury East (Mr. Martel) was much younger than I, and I had indicated as much, only to be told by the acting leader of the New Democratic Party that the member for Sudbury East was as old as I, or older.

**Mr. Martel:** Oh no. I used to listen to the minister when he was announcing. I was a kid. He used to announce hockey games in northern Ontario.

**Mr. Foulds:** Now back to the question—

**Hon. Mr. Ramsay:** Now back to the question: The answer to the acting leader of the NDP is no, I do not have any intention of introducing equal pay legislation before the end of this session.

**Mr. Foulds:** In view of the fact that the Gunderson report says the current legislation will never close the gap between the wages of men and women, can the minister assure us that will stop? What action is he prepared to take? Is he just going to tinker with the legislation? Is he going to fail to act on the Gunderson report after his implied commitment of April 3?

**Hon. Mr. Ramsay:** I expect to receive three more reports before the middle of June, including the report of the women crown employees office, which will be tabled in this House within the next couple of weeks, and the Ontario Status of Women Council report, which will be tabled shortly. In all, there will be three reports before the end of the year, and I would like to have the benefit of all three.

**Mr. Wrye:** Mr. Speaker, I am sure the minister is aware of a further study which tends to bear out the findings of Professor Gunderson. I am referring to a study that was carried out under a grant to the Child in the City program. It contained a stratified random survey of more than 500 families, and the results confirmed Professor Gunderson's findings that female earnings are approximately 60 per cent of male earnings.

Given these findings and the fact that the Gunderson study for the ministry indicates that even the introduction of equal pay for work of equal value, while it would be helpful and useful, would not wipe out the discrepancy between male and female wage levels, will the minister now review his earlier refusal to begin requiring affirmative action programs rather than simply continuing to promote such programs, as he stated in his speech last Friday night? Will he review his earlier refusal, since the evidence shows the promotion of the affirmative action program has produced little, if any, result?

**Hon. Mr. Ramsay:** Mr. Speaker, I think there are different ways of interpreting the Gunderson report. With respect, let me just refer to a couple of statements that Dr. Gunderson made.

The author notes that, generally, equal pay for equal work legislation is not portrayed as a powerful and important policy option and that its potential is limited. He also observes that "To the extent that it is successful, it runs the risk"—and I believe this is most important—"of reducing employment opportunities for females by raising the relative costs." In addition, he points to equally serious limitations in relation to equal pay for work of equal value.

In other words, after studying the Gunderson report, I truly have not read anything that would cause me to change my earlier opinions.

**Ms. Copps:** On a point of privilege, Mr. Speaker: I would suggest that when the minister reads, he should not read selectively. He should read into the record the last paragraph of the Gunderson report which puts the case for equal pay for equal value very clearly.

**Mr. Speaker:** Order, please. That is not a point of privilege.

**Ms. Bryden:** Mr. Speaker, the minister says he will not bring in any new legislation in the equal pay field this session because he wants to wait for three new reports. Is he not aware of the statistics prepared by his own women's bureau, just this month, which show me that further reports are not necessary to prove the ineffectiveness of the present legislation? They show that the number of claims dropped from 223 in 1980-81 to only 96 in the last fiscal year and that only 48 employers were found in violation and were required to pay about \$500 to only 600 employees. Does this not show the ineffectiveness of the present legislation and the need for immediate revision?

2:50 p.m.

**Hon. Mr. Ramsay:** Mr. Speaker, my information is that 1,057 have benefited in the total amount of \$547,968 from equal pay investigations. I think that is a rather respectable and impressive figure.

#### COMPENSATION FOR UFFI HOME OWNERS

**Mr. Wrye:** Mr. Speaker, I have a question for the Minister of Revenue regarding the decision of the Algoma assessment review court to decrease the assessment of 37 homes with urea formaldehyde foam insulated in that area on an across-the-board basis.

I remind the minister that earlier this month, in response to the 20 per cent across-the-board cuts in New Brunswick, he said, "To cop out of the problem arbitrarily, as New Brunswick has done, and come up with a figure may have some simplistic appeal to some members, but it does not to me." It apparently does to the review court in Algoma.

My question to the minister is this: Will he now move to establish a reduced assessment for UFFI homes across the province on a uniform percentage? Alternatively, will he establish test cases in communities throughout the province to determine a standard of reduction which can then be applied uniformly in those municipalities?

**Hon. Mr. Ashe:** Mr. Speaker, the answer to the first question is no. The answer to the second question is that is exactly the process that is now under way by the assessment review court. We suggested it go that route to see whether there is some pattern.

Twenty per cent across the board, as I think I indicated in discussion last week, would have been unfair to many of the home owners, particularly those who have already been adjudicated in Sault Ste. Marie. I think this proves that the approach we are taking is correct, fair and equitable.

After we have had decisions from many other municipalities throughout the province, we then may have some pattern to look at in assessment for 1982 and 1983 taxation.

**Mr. Epp:** Mr. Speaker, will the minister consider following the Metro Toronto procedure for deemed appeals and applying such a reduction to all UFFI home owners whether or not they went through the appeal procedure?

Second, will this government make a commitment to make up any shortfall in assessment revenue so that municipalities will not have to suffer the loss of what could be a drastic



reduction in assessments and taxation revenues from the UFFI homes?

**Hon. Mr. Ashe:** Mr. Speaker, the answer to the first question is no. As I have indicated on more than one occasion, the situation vis-à-vis the changes in properties in the city of Toronto was a unique and isolated situation and will not be done uniformly throughout the province.

The answer to the second question, I think in fairness, is also no. If there is any kind of compensation due from any level of government back to the municipalities, it is at the level of government which caused the problem in the first place. It is domiciled in Ottawa and is called the federal Liberal government.

**Mr. Swart:** Mr. Speaker, even though these two members have asked the same question I asked two weeks ago, the minister still cannot give the right answer.

Does he not realize that what the assessment review court has done is directly contrary to what he said should be done, which is that a uniform reduction could not be given? In fact, they gave a uniform reduction of 50 per cent on all the residents, although the minister said that it would be unfair, that a conclusion to do so would be falsely reached and that it was simplistic.

Does the minister know that 113 homes in Sault Ste. Marie have been identified as having urea formaldehyde foam insulation; that probably at least 200 homes there were insulated with UFFI—

**Mr. Speaker:** I am waiting patiently for the supplementary.

**Mr. Swart:** —and that only 20 per cent of those will get a reduction in their taxes this year? How can the minister pass the buck to the federal government, when he has responsibility for assessment and does not deem that they have all appealed their assessments and are entitled to this reduction?

**Hon. Mr. Ashe:** Mr. Speaker, it is amazing how the honourable member does not like to hear an answer, that if it is not the answer he wants to hear then it is an incorrect answer. It is very difficult sometimes even to understand what his question is; so to come up with the right answer as he deems it is rather difficult.

I will repeat what I said a moment ago to the original question, because the member obviously was not listening or did not hear. What I said to him two weeks ago has been proven in what happened in Sault Ste. Marie. In the Sault the court deliberated on the cases before it,

came across with a determination within that municipality based on the property values in that municipality and made a decision accordingly. The same process will be carried on in many other jurisdictions throughout the province. Whether this ends up being a pattern that is followed remains to be seen. The assessment review court is an impartial tribunal that will be hearing these cases in all fairness, and the decisions will come forth accordingly.

I have indicated before that part of the responsibility in an appeal is also on the appellant. Those who did not appeal may have felt they did not have a problem. It is amazing how the member has a crystal ball to know that there are some 200 homes insulated with urea formaldehyde foam in Sault Ste. Marie. There are probably not even 200 people who know they have such a home, but the member with the crystal ball does. That is very nice.

In fact, after the end of the appeal process, whether in Sault Ste. Marie, Thunder Bay, Windsor, London or wherever, home owners who have a UFFI problem can make a case if they wish to approach their municipal councils and receive some tax relief under the Municipal Act.

**Mr. Speaker:** I ask the co-operation of all honourable members once more to limit their private conversations.

**Mr. Wrye:** Mr. Speaker, on a point of privilege: In answer to my first question today, the minister suggested that what he and his assessment review courts are now doing is having test cases around the province. Earlier, on April 16, the minister said:

"To assume everybody has had an equal change in the value of his property because of that foam insulation, I think is a decision that is falsely reached; the review process of the assessment review court will properly allow the evidence pertaining to each and every property to be brought before it."

Are we having test cases, or are we going to have reviews of each and every assessment appeal?

**Mr. Speaker:** With all respect, that is really not a point of privilege. I ask the minister not to reply to it.

#### STOUFFVILLE DUMP

**Mr. Charlton:** Mr. Speaker, I have a question for the Minister of the Environment. I think that in principle the minister's statement today on

Stouffville was a useful one, but some specific concerns arise from it.

Will the minister tell us why, when the Environmental Assessment Board's hearings last May clearly established that there was only a year and a half left in the present dump site, he has now extended that year and a half to slightly more than two years? How did he or his staff pick the June 30 date, when all the information presented in the hearing indicated it would be finished this fall?

**Hon. Mr. Norton:** Mr. Speaker, unfortunately, waste disposal sites do not just automatically self-destruct at a given time. The estimate one makes of the time that remains in the life of a given site depends on a number of factors, one of which is the rate at which it is filled. We have not extended that in any way.

The simple answer to the honourable member's question is that the estimates which were presented before the hearing a year ago were based on a projection of a certain rate of filling. I understand the rate has not been as fast as was anticipated at that time. It is not a question of any more being allowed in.

**3 p.m.**

In order to tighten up the schedule so that there is a predictable and firm closing date, we have established a tonnage limit on a daily basis, plus a time limit that now fixes it firmly at a date after which, whether they have filled the site up completely or not, they can accept no more waste. In other words, there is some incentive for them to get on with the closing now that a new certificate has been developed.

**Mr. Charlton:** Mr. Speaker, there are always a number of reasons why time frames can vary. Perhaps the minister can consider that the company used the year-and-a-half figure during the hearing in order to emphasize urgency in terms of the expansion proposal.

In the latter part of his statement the minister commented: "The close-out conditions will also require the company to design and develop long-term monitoring and environmental protection measures for the site's permanent security." Can the minister assure the residents of Stouffville that "protection measures for the site's permanent security" means a total containment system?

When the company has designed and made these proposals, can he assure the citizens there will be public hearings so that the public can be fully satisfied, in order to accomplish what he is trying to accomplish here for their frame of

mind, that the site will be safe and that the proposals will do what they are supposed to do in containing the site?

**Hon. Mr. Norton:** There are times when I think some members would like to subject that community to endless agony. I can assure the member that the most advanced possible measures will be required. I do not yet know what they are. The specifics have to be worked out with consultants. That is part of what is now under way.

As far as assurances with respect to containment are concerned, I suppose no one can ever give an absolute assurance. Nothing in this world is absolute that I know of, except the mindset of the NDP. I can assure the member we will take every possible precaution to ensure that the close-out procedures are safe.

**Mr. Elston:** Mr. Speaker, can the minister tell us if he will be tabling a copy of the certificate of approval that will go out to the company, and advise us as to the conditions that will be laid down there, dealing with the amount of money to be contributed by the company to this fund he has made the statement about?

If a difficulty develops subsequent to the closure of the site, will the Ontario government meet any shortfall of money that may result from this fund not being substantial enough to rectify any problems that exist?

**Hon. Mr. Norton:** Mr. Speaker, the obvious answer to the last part of the member's question is it would have to be the responsibility of the government if that kind of thing ever happened.

With regard to the tabling of the information, as soon as it is available it will be tabled. Members are getting some advance information today. The actual certificate is not yet in the hands of the company. There will be some detail work to be completed after that. I can assure the members they will have copies as soon as they are available.

#### STOL SERVICE

**Mr. Piché:** Mr. Speaker, I have a question of the Minister of Transportation and Communications—

**Mr. Roy:** Your first question of the cabinet.

**Mr. Piché:** I would like to remind the House that this is not my first question, but it might be my last.

The question is to the Minister of Transportation and Communications and/or the Minister of Northern Affairs. The minister will be aware, after reading yesterday's Toronto Star, and



other newspapers of course, that after considerable delay STOL service from the Toronto Island Airport using the Dash-7 aircraft is now expected to begin next year, linking Toronto, Montreal and Ottawa.

Not only will many passengers benefit from this service, but the purchase of the 50-passenger Dash-7 aircraft built here by de Havilland will also contribute to the creation of jobs and benefit Ontario's economy.

**Mr. Speaker:** Can I have the question?

**Mr. Piché:** The question is coming, Mr. Speaker.

As many as 11 aircraft will be needed, at a cost of over \$80 million. Because of the Dash-7's ability to operate from short runways and its fuel economy, I would like to ask if the minister is now willing to establish a pilot project of STOL service from the Toronto Island Airport to northern Ontario communities? Would not such a service more adequately meet the needs of many people living in some northern Ontario communities?

**Hon. Mr. Snow:** Mr. Speaker, I would like to agree with the honourable member that certainly the Dash-7 is a very wonderful piece of equipment.

**Mr. Haggerty:** Better than that jet aircraft.

**Hon. Mr. Snow:** It is an equivalent piece of equipment to a Challenger.

I will be glad to consult with the Minister of Northern Affairs, who is directly responsible for the operation of norOntair, although my ministry is involved very much with his ministry in the planning of norOntair expansions.

The problem that one deals with is the size of the Dash-7. It is a 50-passenger airplane, and the fact is that in many communities more frequent service with a smaller aircraft is more desirable. There are, no doubt, some routes the Dash-7 will grow into and, of course, I think that is what my colleague had in mind when he ordered two Dash-8 aircraft, which are an intermediate capacity transit system for northern Ontario.

I think the Dash-8 will be the ICTS of northern Ontario, and we will fill in that gap. There is no doubt that eventually, as the traffic grows, there will be a role for the Dash-7 aircraft as the member suggests.

**Mr. Piché:** The minister is also aware that since one of the companies that is heavily involved in this new project through one of its affiliates is the northern company Austin Airways, now is certainly the opportune time to

give serious consideration to this much-needed service to northern Ontario—something that many communities in the north have been working towards over the last few years.

**Mr. Breithaupt:** Don't you agree?

**Mr. Speaker:** Is the minister aware?

**Hon. Mr. Snow:** Yes, the minister is aware of Austin Airways' involvement. We are all aware of the Deluce family, the old White River Air Services and Austin Airways, which has been a landmark operation in northern Ontario for many years. It is now a part owner of Air Ontario and of the proposed new partnership that will operate the STOL service between Toronto, Ottawa and Montreal.

No doubt that operator has a great deal of experience and would be very much aware of the needs of the communities of northern Ontario.

3:10 p.m.

#### CHILDREN'S MENTAL HEALTH SERVICES

**Ms. Copps:** On a point of privilege, Mr. Speaker: Some of the members may recall that on April 26 the Minister of Community and Social Services, in answer to a question I raised about children's mental health services in Windsor, stated, "She went away from that open setting," etc. "Part of the problem has been her parents' demand from the very beginning that she be put in a secure setting. She was placed in a secure setting and now she is in the London Psychiatric Hospital."

The minister may be aware that in fact—

**Hon. Mr. Ashe:** Strike three, you are out.

**Ms. Copps:** This is a point of privilege, Mr. Speaker—

**Mr. Speaker:** May I hear it, please?

**Ms. Copps:** The information is that young child is not now, nor has she ever been, a patient in the London Psychiatric Hospital. That information has come not only from her and her parents, but also the records department and both adolescent wings of the London Psychiatric Hospital. I suggest it is the minister who is monumentally misinformed and I would like him to correct the record.

**Mr. Roy:** Apologize.

**Mr. Kerrio:** Either you or Claire Hoy.

**Hon. Mr. Drea:** Mr. Speaker, with the full consent of her parents at a court hearing, she was remanded—

Interjections.

**Hon. Mr. Drea:** Oh, yes, my dear. At a court hearing, with the full consent of her parents—

**Ms. Copps:** She isn't there. Call the records department of the London Psychiatric Hospital.

**Hon. Mr. Drea:** Mr. Speaker, if I may continue?

**Mr. Speaker:** I think it is a matter of clarification. There is a difference of opinion. If you want to clarify the record, I will listen.

**Hon. Mr. Drea:** Yes, I would if I am ever to be allowed to clarify anything for the honourable member without being rudely interrupted. To clarify the record, the particular young lady, on—

**Mr. Roy:** Get your facts straight.

**Hon. Mr. Drea:** Oh, it is from the court, Albert; the place where you attend.

**Mr. Speaker:** Never mind the interjections, please.

**Hon. Mr. Drea:** On March 16, 1982, there was a show-cause hearing. Does the honourable member know what a show-cause hearing is? In attendance were her, her lawyer, her parents, the case worker representative, etc. She was placed as a ward of the Roman Catholic Children's Aid Society for the County of Essex, and I do want to clarify—

**Ms. Copps:** Have you spoken to the records department of the London Psychiatric? She is not a patient there. If you check with the records department you will find out. You have been monumentally misinformed.

**Hon. Mr. Drea:** You know, you are kind of cute when you get mad. Could you be quiet for a minute?

**Mr. Speaker:** Order. I have to rule that it was not a point of privilege in the first place. There was no special privilege of any member affected. It would be better brought up in question period or ministerial statements.

**Ms. Copps:** Get your facts straight.

**Hon. Mr. Drea:** I have them.

**Mr. Speaker:** Order. If the member has a question, she may ask it during the proper time allotted for that tomorrow. I am not going to debate it. Please resume your seat.

**Ms. Copps:** The interjections are on both sides of the House.

**Mr. Speaker:** That does not make them any better.

**Ms. Copps:** Who is running this House, Frank Drea or you?

**Mr. Speaker:** I am going to have to ask you to withdraw that remark.

**Ms. Copps:** Are you going to sit down?

**Mr. Speaker:** Sure.

**Ms. Copps:** Mr. Speaker, not wanting to impugn your integrity, I will certainly withdraw that remark.

**Mr. Di Santo:** Mr. Speaker, on a point of privilege—that was a very wise ruling, by the way—

**Mr. Eakins:** Tell us about your brother.

Interjections

**Mr. Speaker:** I am waiting patiently.

#### MEMBER'S PRIVILEGES

**Mr. Di Santo:** Mr. Speaker, on April 23 I rose on a point of privilege and asked the Minister of Community and Social Services why he had misrepresented to the House an appeal that his ministry had taken against a decision of the Social Assistance Review Board. He accused me, saying that there was no appeal and that "the member is wrong, just as he was wrong last week." I sent the minister a letter of appeal, and that—

**Mr. Speaker:** Order. That is not a point of privilege, with all respect. Your privileges have not been abused in any way.

**Mr. Martel:** Mr. Speaker, may I ask you, then, if a minister stands in his place and wrongly accuses a member of something do you not believe that in fact the member's privileges have been impugned? I just cannot understand how a minister can get up and make that type of accusation without privileges being abused.

**Mr. Speaker:** That is a very good point; it has been brought up before, of course. I have no way of knowing who is right and who is wrong. It is not for me to judge. Obviously, we have a difference of opinion. I do not have any special knowledge, and I do not know whether the minister did something or did not; I do not know whether the honourable member did something or did not. That is not my role.

Interjection.

**Mr. Speaker:** Order, please.

**Mr. Martel:** But certainly your role is to ensure that when someone makes an accusation, as the minister has done, and a member gets up in his place to refute it, as my colleague has done—you can say, "I absolve myself of any responsibility for finding out the facts;" I can understand your dilemma—surely you should



hear out the entire point of privilege, because you have to make some judgement or you have to refer it to someone? It simply cannot go by the board.

**Mr. Speaker:** Order, please. That is quite right. If it is a matter of correcting the record, that is one point; but in actual fact his privileges were not abused in any way. Now, if he wants to correct the record, fine.

**Mr. Di Santo:** Yes, Mr. Speaker, I ask that the record be corrected.

**Mr. Speaker:** The member wants to correct the record first.

**Mr. Di Santo:** Yes. I want the record to be corrected because an appeal was in fact made by the Ministry of Community and Social Services through its lawyer, Ms. Leslie McIntosh.

**Hon. Mr. Drea:** Mr. Speaker, I would have replied to the honourable member except that he sent over a request for a written answer. That is in the process of being transmitted to him, and he knew that when he popped up today.

The simple fact of the matter is that the appeal the member talks about was never proceeded with, was not an appeal, is not before any part of the Social Assistance Review Board and did not concern the matter he alleged the appeal concerned, period.

**Mr. Speaker:** We have heard both sides, and I do not know yet who is right and who is wrong.

#### EQUAL PAY

**Ms. Bryden:** Mr. Speaker, on a point of privilege: Unfortunately, the Minister of Labour (Mr. Ramsay) has left the House, but I would like to correct the record of the previous debate regarding statistics from the women's bureau on the number of women who received awards in the last fiscal year.

I said it was somewhat over 600; the minister said that to his knowledge it was about 1,000. I have here the report from the women's bureau, and it says that over the past two years it was about 1,000. I was referring to one year, the latest year.

3:20 p.m.

#### PETITION

##### ANNUAL REPORT, ONTARIO HYDRO

**Mr. Elston:** I would like to correct the record too, Mr. Speaker, but I have a petition instead. I will try again today. Pursuant to subsection 33(b) of the standing orders, I have a petition signed by 20 members requesting that the

annual report of Ontario Hydro for the year ending December 31, 1980, be referred to the standing committee on resources development.

**Mr. Speaker:** I am advised that is in order. It is indeed statutory.

#### INTRODUCTION OF BILLS

##### MUNICIPAL INTEREST AND DISCOUNT RATES ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 91, An Act to revise the Municipal Interest and Discount Rates Act.

Motion agreed to.

##### DISTRICT OF PARRY SOUND LOCAL GOVERNMENT AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 92, An Act to amend the District of Parry Sound Local Government Act.

Motion agreed to.

##### PUBLIC UTILITIES AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 93, An Act to amend the Public Utilities Act.

Motion agreed to.

##### NORTH PICKERING DEVELOPMENT CORPORATION REPEAL ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 94, An Act to repeal the North Pickering Development Corporation Act.

Motion agreed to.

#### LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Swart moved, seconded by Mr. Grande, first reading of Bill 95, An Act to amend the Legislative Assembly Act.

Motion agreed to.

**Mr. Swart:** Mr. Speaker, the purpose of section 1 of this bill is to provide for the Legislature to sit part of every month during the year instead of the current policy whereby it may sit continuously for a four-month period in the spring and two months in the fall and be recessed or adjourned for the rest of the year.

The proposed section 2 declares that the designations member of the Legislative Assembly and MLA are the official designations of the

persons who are elected to the Legislative Assembly.

## ONTARIO ENVIRONMENTAL RIGHTS ACT

Mr. Elston moved, seconded by Mr. Mancini, first reading of Bill 96, An Act respecting Environmental Rights in Ontario.

Motion agreed to.

**Mr. Elston:** Mr. Speaker, the purpose of this bill is to provide for environmental rights in Ontario. The bill permits an action to be brought in the Supreme Court of Ontario by any person for the protection of the environment. The bill also provides for public notice and review of certain approvals, permits or other environment related orders before the approval permits or orders come into force.

Other provisions of the bill provide for public access to information relating to environmental decisions and for regular review by the Environmental Assessment Board of all regulations affecting the environment.

The bill also permits the Lieutenant Governor in Council to establish a fund to assist persons in public interest groups for the purpose of ensuring that points of view representative of significant bodies of opinion are adequately represented in environmental proceedings.

## ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I would like to table the answers to questions 83 and 84 [see Hansard for Friday, April 30. and the interim answers to questions 88, 89 and 90 standing on the Notice Paper [see Notice Paper].

## ORDERS OF THE DAY

### PRIVATE MEMBERS' PUBLIC BUSINESS

#### ONTARIO SAFE DRINKING WATER ACT

Mr. Charlton moved second reading of Bill 45, An Act to protect and enhance the Quality of Drinking Water in Ontario.

**Mr. Charlton:** Mr. Speaker, it gives me great pleasure to have had the opportunity to introduce this bill in this Legislature and to debate it this afternoon.

Over the course of the next decade, drinking water quality in Ontario is going to be one of the three major issues in the environment sector.

It is the newest issue in the environment sector and it is probably going to be the issue of most public concern as our knowledge about

what we have done already to our environment grows and as the effects of that damage become apparent.

As I start this debate, there are a number of people I would like to thank who have been involved in this process. First, I would like to thank several thousand citizens of this province who are involved in the more than 50 groups who made presentations to our joint federal-provincial task force on the question of water.

Those presentations helped us to become very clear about the concerns that exist out there across Ontario and about some of the things, at least, that need to be done in order to help citizens deal with the situations they find in their communities affecting their water supplies.

**3:30 p.m.**

I would like to thank my colleagues, some of the members of our federal caucus, and the member for Welland-Thorold (Mr. Swart), who were members of that task force and who put many long hours into this project, which is very far from being completed at this point. We are only at the beginning, but this is the place to start. I would like to give very specific and very special thanks to Toby Vigod of the Canadian Environmental Law Association and Anne Wordsworth of Pollution Probe, who helped us in the development of the specific aspects of this bill.

The bill deals with a number of very important matters in relation to drinking water in Ontario, and the problems that citizens of this province have run into with their drinking water. The first and basic principle set out in this bill is that somebody has to take clear responsibility for the safety of the drinking water in Ontario. In this bill, that somebody is the Minister of the Environment (Mr. Norton).

At present, there is no clear jurisdiction. There is much overlapping of jurisdictions in which the Minister of the Environment, the Minister of Health (Mr. Grossman) and the local health authorities are all involved. Nobody wants to take clear responsibility. Everybody is always passing the buck. So the first thing we have to establish through this kind of legislation is clear responsibility.

In Ontario we now have legislative standards for air. That is not true in the case of our drinking water. Instead, we use guidelines, and I think we all know what guidelines mean. When it is under the guideline it is safe, when it is over the guideline it is not safe and it becomes a recommendation, "Please do not use the water."



That is not good enough in terms of this province's dependence on our water supplies. We need clear, legislative standards for dangerous substances, and when those standards are exceeded there must be clear legal stoppage of the use of that water.

As well, there must be a responsibility on the part of the ministry to provide alternative supplies, and an ability for the ministry to clearly prosecute the offending polluter. We have set out in this bill a procedure by which those standards will be set. It is a procedure in which the public of this province will be involved from the outset. That is another very important aspect of this bill, and of the discussion around safe drinking water in Ontario.

One of the things that has happened over the course of the last decade, and, more specifically, over the course of the last three or four years, is that the Ministry of the Environment in Ontario has lost much of its credibility with large segments of the public in this province. That is because, although in the environmental legislation set out in this province we have some very clearly established principles of public participation, unfortunately, the minister, the ministry and the cabinet of which he is a part—and again, we should note the total absence of the cabinet this afternoon—have taken the approach of exempting project after project, under a number of pieces of legislation, from the public part of the process under that legislation.

There is a very clear mistrust out there. We had a prime example of that just last week, around the whole question of testing of some new technologies for the disposal of polychlorinated biphenyls in this province. There was the feeling on the part of both the provincial and federal ministries and the proponents of some of those technologies that because of that mistrust, very quietly they had to find a place to do that testing, in the likelihood that the communities involved would oppose it. That trust has to be re-established and some of the processes set out in this bill will help that occur.

The bill deals with both public and private water supply systems. A public water system is defined as a system whereby some public body, perhaps a public utility in a municipality, supplies people with a service for water. The bill sets out a number of duties for those suppliers; these include frequent testing for the substances for which we have set standards in the province, and an obligation to provide customers with full information about that testing on a regular

basis. We have suggested that be included with the billing for the water. In those municipalities where water cost is included in tax bills, etc., then the information should be made public through the media so that the people in the community are kept informed on a regular basis of the testing that is being done.

We have proposed in the bill that there be public involvement in the regulation-making process, which is the setting of standards under this act, fairly quickly after the passage of the act, so that we are not still sitting here, 10 years down the road, waiting for the government and the ministry to move.

We have proposed that within 180 days after royal assent the minister and the ministry will be responsible for publishing draft regulations in the Ontario Gazette, and that some 90 days thereafter, if there are objections registered, public hearings will be held so the public can have input into the process. This is important because the public will not have confidence in any legislation or regulations in this area that are pushed through without their being able to have input.

The act makes it an offence to supply customers with water containing any contaminant or substance that exceeds the standard that has been set, or that contravenes the prescribed standards which we have set. The basic difference between contaminant and substance is the degree of toxicity.

The bill also sets out a number of penalties for those who contravene this act, penalties that relate, as I suggested, to exceeding the standards or to the providing of information, etc. We have set the penalties at a level of \$50,000 for any contravention of section 6 which deals with contaminated water that exceeds the guidelines. We have set penalties of \$25,000 in the case of any other contravention of this act.

**3:40 p.m.**

We have also attempted to deal with the serious problems of many of the environmental and local community groups around this province that have had problems or even suspected problems with their local drinking water which they have been unable to resolve. They have had no clear method. There has been no clear apparatus to enable them to come to a resolution of their concerns or their problems.

We have tried to deal with some of that in this bill by doing a number of things such as setting up a water review board to deal with matters relating to water problems. We have also set out a section dealing with private remedies where

citizens have the right to take action against a polluter for damages.

For example, earlier this afternoon we talked about the situation in Stouffville which has been going on for about a decade now where the citizens have been able to find no clear method to remedy their complaints. We all know what that situation revolves around so I will not go through all the details. Citizens have had testing of the water done privately, the ministry has done testing and York Sanitation which runs the landfill site in Stouffville, has done testing. Repeatedly, there has been no agreement among those three bodies about which test is right and which test is wrong. Inevitably, a test never agrees with the testing the others have done.

The citizens have had no clear apparatus to use to see a resolution of that, not even a separate, independent body which is prepared to hear testimony about the testing that has been done by all three of those groups and to come to some conclusion about whose testing and whose information is right. With this bill in place, those citizens would at least have some forum in which to have a decision made as to whether there is a threat to their health by contamination of their water supply from a landfill site.

It is not a perfect system. We all know we have fears about the court system, the cost and the lengthy procedures of the court system. But those citizens have spent a decade and have had no avenues to remedy their problems whatsoever.

The bill also sets out that, once an offence has been established and once a polluter who has damaged an individual's or a community's water supply has been identified, those citizens will have the right to take action to recover damages. In the law, there is no clear indication that citizens now have that right. The minister will tell us they do, but it seems strange to us that it is not clearly spelled out. If they do have that right, it certainly should be spelled out in a fashion people can understand so that they can take advantage of that right.

**The Deputy Speaker:** I would like to bring to the member's attention he has approximately four minutes left. I don't know if you were anticipating reserving any time after the debate.

**Mr. Charlton:** Yes, I would like to save two minutes for the end, Mr. Speaker, so perhaps you could tell me when two minutes remain.

The bill proposes that a water advisory council be set up. The purpose of the council is to keep the minister and the ministry informed of

the latest technology and the latest science, in relation to water and its safety, from around the world and from communities just outside the province, to consider matters that may be of concern in the community in relation to the safety of water, and to recommend to the minister when a matter needs to be looked at.

We have also set out the responsibility of the Ministry of the Environment to do research as an obligation. Right now we are in a situation where sometimes the Ministry of the Environment does research, sometimes it is the Ministry of Health; sometimes local officials who do research and sometimes nobody does research in relation to drinking water.

We have set out an obligation to assure citizens that when there is a problem with their drinking water, the causes will be found and the dangers to them in terms of their health will be diagnosed so that they are in a position to know what to do and who to sue.

**Mr. Stevenson:** Mr. Speaker, I am pleased to be able to respond to the concerns addressed by the honourable member in his private member's bill. There is no dispute about the fact drinking water must be maintained at high quality and certainly this is a high priority of this government. The policies of the Ministry of the Environment in the past and in the future certainly show this.

The Ontario Water Resources Act provides the necessary guidelines and controls ensure the quality of drinking water in Ontario. The act gives the Ministry of the Environment extensive powers to regulate water supply, sewage disposal and the control of water pollution. It authorizes the ministry to supervise and examine all surface waters and ground waters in Ontario to determine the extent, nature and causes of contamination in these waters.

I feel that Bill 45 is redundant. If needed, regulations could be made under the existing Ontario Water Resources Act to detail any formal procedures necessary to protect Ontario's drinking water supply. What is needed to ensure high standards in drinking water is the constant upgrading of scientific techniques to monitor and control our water system. Bill 45 only provides a legal framework for controlling the quality of drinking water and does not become involved in the control of toxicants and their use in the environment.

I want to inform the honourable members opposite that we are discovering pollution sources nobody thought of a few years ago when pollutants were measured in parts per million. Our



scientists now use instruments that can detect and measure pollutants in parts per trillion. To give you an example of the significance of this, everyone knows how long a period of time one second is; one part per million is the same as one second in a period of 12 days.

**Mr. Kerrio:** Just as long as it takes to pull the trigger of a gun.

**Mr. Stevenson:** Right.

**Mr. Kerrio:** It's the same thing. Toxics will kill.

**Mr. Stevenson:** Some pollutants are measured in parts per billion. One part per billion is one second in 33 years. One part per trillion is one second in 33,000 years. That is the precision with which we now detect seepage of some dangerous chemicals like dioxin from long-forgotten chemical dumps and from other, sometimes-not-yet-determined, sources into our water.

**3:50 p.m.**

We do not really know what effect such minuscule amounts of pollutants have on our environment or our health; but make no mistake about it, we are concerned about the effects of these small amounts. Their control remains one of the challenges we face.

We are most fortunate to have in this province access to safe drinking water and excellent sanitation facilities. Our system of water supply and waste-water disposal has contributed significantly to our public health and to the relatively high standard of living which we enjoy. The closing of beaches due to an excessive bacteria count in our waters is very rare and water-borne infections have practically disappeared.

At the University of Toronto, researchers studying the mutagenity and toxicity of chemicals found the tap water treated to ministry criteria by Metro Toronto to be cleaner than the distilled water they get in plastic bottles for use in their research.

**Mr. Elston:** Have your cabinet people switched from their bottled water?

**Mr. Stevenson:** They would rather switch than fight.

The Minister of the Environment informed this House on April 1 that his ministry is actively involved in measures to ensure optimum public safety. Our government is involved in a number of things, a continuing examination of the latest testing procedures as well as a fish-testing program which operates as an early warning system for drinking water problems.

Also under way is a special examination of our entire drinking water guidelines program. This examination, scheduled for completion in early summer, will ensure that our guidelines, technology, testing and monitoring programs continue to reflect the latest scientific knowledge about water quality effect on human health.

In 1956, the first measure was taken to establish the Ontario Water Resources Commission, to develop provincially-controlled sanitation and water treatment systems.

Today, 25 years and \$4 billion later, more than 400 sewage and water treatment plants serve practically all Ontario communities. Close to 90 per cent of the population of this province is served by communal water facilities and 77 per cent by communal sewerage systems.

Our provincial government has become increasingly involved in water and waste-water systems over the past several years. We provide financial and technical assistance to our municipalities for planning and construction of new systems, providing something over \$300 million since 1969 to smaller communities.

We closely control the use of our water resources. We monitor both the quality of drinking water and waste-water disposal to check compliance with provincial objectives and regulations. We provide staff training and technical assistance for the operation and maintenance of water systems.

Our province has been quite active in developing water supply and waste-water facilities. In particular, the Ministry of the Environment has financed, constructed and operated hundreds of water supply and waste-water treatment plants throughout Ontario. Currently, the Ministry of the Environment operates 93 water supply plants and 221 waste-water plants.

In addition, MOE offers the most comprehensive program of training courses and workshops to civilian operating personnel in Canada. The training centre at Brampton utilizes classrooms with lab facilities and demonstration equipment as well as an abandoned sewage treatment plant.

In 1980-81, approximately 1,500 personnel participated in the training sessions. Some participants came from the Atlantic provinces where similar courses were not available. Between 1974 and 1980, a total of 8,300 people from all provinces and several states have participated in the program.

Drinking water quality is a high priority of this government. Our efforts to ensure the quality of

drinking water are backed by a continual updating of our scientific expertise, technology and knowledge in this field. Contrary to allegations often made by the members opposite, this government cares about the wellbeing of its people. It is safe to say that the history of water and drinking water quality in this province are matters of concern and technical success rather than buck passing, as was suggested earlier.

**Mr. Elston:** Mr. Speaker, probably all members of this House share the concern about the quality of drinking water, but I would like to point out the fact that some members of the cabinet show their concern by purchasing their water in bottles rather than by drinking from the taps.

**Mr. Hodgson:** Say that again.

**Mr. Elston:** I note that the honourable member for York North—

**Mr. Hodgson:** Say that again. You were up in Stouffville the other afternoon and you are getting carried away.

**Mr. Elston:** I noticed that the member was absent from the meeting that day, although I understand from reports that he was hiding someplace up the road. It is significant that he was unable to speak out publicly, and if he wants to do that he can do it here in today's debate. I am very pleased that he finally showed up this afternoon to take part in something, or at least to listen, for a change.

In any event, to address myself to the member's bill: I want to congratulate the member for Hamilton Mountain, who also showed a great degree of sensitivity by attending the meeting at Stouffville that day, as I did, to speak to the people there who had expressed a great amount of concern about the quality of their drinking water. I must indicate to all members that there is a great deal of concern which has not by any means found an adequate outlet via the legal process through the bills that are now available to the people. That is why I commend the member for Hamilton Mountain for taking steps to introduce legislation that will deal with the quality of drinking water in a meaningful way.

We understand that the government has developed legislation over the years to do a number of things, but the fact remains that no steps have been taken, to this point, to adequately enforce that legislation, nor have steps been taken to adequately address the need to introduce regulations to deal with the multitude of new and deadly chemicals that are finding

their way out of dump sites and are being disposed of in ways this society cannot afford.

The member for Durham-York (Mr. Stevenson) indicated that the bill is deficient in that it does not deal with the development of the techniques and technology that are required to deal with the problem, but I rather suspect this is not the need which has really been demonstrated to us here today. Clearly, the need is to develop a way in which the citizens of the province can enforce legislation and put into practice certain minimum requirements for the quality of their drinking water.

We know there is an ongoing process of development of technologies not only to deal with the problem of pollution in drinking water but also to deal with the problems of the disposal of the various chemicals that have found their way into dump sites over the past few years. We are confident that this sort of development of technology will continue.

Some of us on this side of the House are not pleased to see that the people who are trying to develop such technology are forced to go outside the province to do a lot of the testing and developmental work required to ensure their disposal methods are safe and practical. We are not very pleased that the government of Ontario finds it necessary to preclude any early financing of projects to deal with the disposal of environmental contaminants, such as the destruction of polychlorinated biphenyls by the diesel destruction method, which now is in its second phase and which only now has attracted the support of the Ontario government. They knew about the process before the first phase started.

#### 4 p.m.

The record is not very good when it comes to helping develop technology to dispose of these environmentally dangerous substances. The record is not good when it comes to dealing with the problem of the emissions of sulphur dioxide. I presume that it is the standard pattern of the way that the Ministry of the Environment and the government of Ontario approach the serious problems that face the environment, and this must be changed if we hope to have any part of the environment left in a state where our children and grandchildren can hope to live in comfort in this province.

It seems to me that there is a concerted effort being waged here on this side of the House to ensure that the Minister of the Environment and other members of the Ontario government take seriously their responsibility to ensure that the environment is protected for years to come.



The introduction today of the environmental rights bill and the debating today of the second reading of the act introduced by my colleague the member for Hamilton Mountain indicate a genuine concern about the track record to this point of the Ministry of the Environment with respect to the very serious problems of the environment and its reactions to the concerns that are voiced by the public.

I have always thought of the Ministry of the Environment as the watchdog, the protector, of the rights of the people; but when the Minister of the Environment goes out of this House and suggests that anybody who is loose-lipped and who criticizes his handling of a situation and the handling of a situation by his officials is wrong, it shows me very clearly that there is no public watchdog—

**Mr. Di Santo:** Mr. Speaker, on a point of order: The honourable member is making a very important speech and, apart from the fact that the minister is not here, we do not even have a quorum; I think he deserves more attention.

Mr. Speaker ordered the bells to be rung.  
4:07 p.m.

**The Acting Speaker (Mr. Cousens):** A quorum is present.

**Hon. Mr. Gregory:** First, Mr. Speaker, let me apologize for the lack of members on our side of the House. Second, may I point out that the reason for the absence of the members, at least from this side of the House, and perhaps from the other, is an award that is being made on behalf of the Committee for Soviet Jewry, Ontario Region to Flora MacDonald. There was a representation in the form of a letter from the leader of the third party, and there were representatives from the Liberal Party and the Progressive Conservative Party present. That event was well known in this House; so I expect it was in rather poor taste at this time to have a quorum call.

It was mentioned that the Minister of the Environment (Mr. Norton) is not here. However, the parliamentary assistant to the Minister of the Environment, the member for Durham-York is here; so I do not know what the problem is.

**Mr. Laughren:** You can't maintain a quorum; you're not doing your job. Why not admit that you're not doing your job?

**Hon. Mr. Gregory:** I do not have to do a job for the member for Nickel Belt. I do very well over here.

**Mr. Breaugh:** On a point of order, Mr. Speaker: I am a little sad to note that the government whip has suggested it is in poor taste for the rules of this House to be followed. I suggest that he did not quite mean it the way he said it and perhaps he should retract that.

**The Acting Speaker:** The member for Huron-Bruce has some time left, and there are a few other speakers to the issue. It was a point of privilege on which I allowed the minister to stand.

**Mr. Elston:** Mr. Speaker, I will be very brief in wrapping up in order that other members may speak.

It is clear to me that people should not have their health and safety threatened by contaminated drinking water or, for that matter, by polluted air or soil. Therefore, the member for Hamilton Mountain has taken a good step forward in addressing the specific problems with his legislation.

We know there are some very fine sections in this bill and, if it comes to a point where the members opposite feel they cannot support the bill on second reading, I hope the Minister of the Environment, particularly since he is represented by his parliamentary assistant, will take sections of this bill and introduce them as amendments to the Ontario Water Resources Act. That could go a long way in addressing some of the very severe and critical problems that have been pointed out by this private member's bill.

The members on this side are quite pleased to support the private member's bill, and we wish the people on the other side of the House would see their way clear to supporting it as well.

4:10 p.m.

**Mr. Laughren:** Mr. Speaker, I will speak quickly, while my colleagues are still here. Never before have I been made to feel, by a whip of any party, that I should apologize for being in the House during a debate. Only the Conservative whip could make a member feel that way.

I commend the honourable member for introducing this bill. It is an excellent bill, and I felt compelled to speak on it—particularly as the member asked me to—for a number of reasons.

First, water is fundamental to good health for people. Second, this bill would put in place a form of preventive medicine across the province. That is something the government should think about. Finally, it really is time, as the former Minister of the Environment, the mem-

ber for Burlington South (Mr. Kerr), would say, "to make the polluter pay when our drinking water is polluted."

**Mr. McClellan:** Did he say that?

**Mr. Laughren:** Yes, the former Minister of the Environment did say that at one time—shortly before he was bumped to another portfolio.

This bill contains a number of key principles which need to be outlined. One is the whole question of public input and public involvement, not just in monitoring but in the actual setting of standards. It would be something new for the government to involve the public in a meaningful way in the setting of standards, and not to have it done in the way the Minister of Natural Resources (Mr. Pope), for example, goes through with his sham of public input. This bill really would give the public a say in setting standards.

Second, establishing an advisory council is a good idea. It would make the public feel that it has some say in how we run this province. No less a personage than the Premier (Mr. Davis) promised a council to advise him on environmental assessment, but to this date he has not acted. Why? He promised it; it is in writing. Where is he on that issue? I think most of us would agree that he needs some advice on the subject of environmental assessment.

Third, the bill requires the operator of a public system to monitor the system and to notify its users when there is a problem. It would allow the users to sue for damages when their water supply has been damaged or contaminated. It also authorizes the Ministry of the Environment to do research into water quality. Finally, it establishes that the Ministry of the Environment is responsible for providing an alternative water supply when a regular supply becomes contaminated.

In this bill we are not talking about some bureaucratic mechanism, we are talking about the quality of life in Ontario. We are deceiving ourselves that the quality of life is good as long as there are people in Ontario who either have to carry their water or drink polluted water. That still happens in the riding I represent and, I am sure, in ridings represented by most members.

We should not be paying tribute to the pink flamingos of this world while there are people who do not have good drinking water. We should not be handing out grants to the private sector or purchasing a private jet for the Premier while there are people who have water they cannot drink.

The point I am making is that water tables can be polluted and nobody has to answer for it. I represent an area where much of this occurs. This bill would prevent some of that from happening.

Would Reed Paper have done what they did if this bill had been in place? I think not. Would KVP, now E. B. Eddy Forest Products, have polluted the Spanish River if this bill had been in place? Would Inco continue to pollute the water table and the lakes and rivers the way it did in the past if this bill was in place? The answer is that they would not. They would not be doing what they are doing now—

**Mr. Harris:** There wouldn't be any private corporations in Ontario if you had all your bills in place.

**Mr. Laughren:** That is absolute nonsense. The honourable member should know by now that the private corporations in this province will behave in as civilized a way as the jurisdiction requires them to. That is how civilized they will be. If the member sits back and lets them do as they want, then he cannot expect to have water tables that are not polluted in Ontario.

This bill would serve notice to all potential polluters that they will have to pay in the end. Unless it is put in place, why should anybody do anything about it until he is caught? At this point, there is no reason any polluter should be unduly concerned. The bill would set penalties for people who actually did pollute. It would give the public the right to know about the water they are drinking. Is that not a quaint idea? It would require the public to be told when they are drinking contaminated water. They should be told about that; right now there is no requirement that this should occur.

My colleague mentioned that water was going to be an issue in the 1980s. He is absolutely right. We are going to make sure that it is, because we believe that if there is one way to measure the quality of life for people, it is the quality of the water they drink.

This bill has particular relevance to many communities in northern Ontario. Many communities in the north simply do not have potable drinking water. In my own area there is a community where the wells have arsenic in them, a natural arsenic from the water, but the Ministry of the Environment has no requirement to provide an alternative water supply, absolutely none.

There are places like Chapleau, Foleyet, Sultan—and Gogama, of course; I would be remiss if I did not talk about Gogama—where



the water table is so polluted that the former Minister of the Environment built a community tap in the town. But now Gogama is going to get communal water. And why is it going to get community water now? Because we threatened to build a statue around that community tap. The minister was afraid the statue might be in bad taste when it was finished. That is why the ministry now is going to have to provide funding for that community of Gogama. It is a sad commentary at this time.

Look at Massey. The member for Algoma-Manitoulin (Mr. Lane) is here. The town of Massey's water supply source is being threatened by Atomic Energy of Canada Ltd. doing test drilling at East Bull Lake. AECL is proceeding to do its test drilling for the potential storage of nuclear waste in that community. The member for Nipissing (Mr. Harris) is shaking his head, but that is absolutely what it is doing: test drilling and research for the storage of nuclear waste. If he does not know that, he had better ask the member for Algoma-Manitoulin.

**Mr. Harris:** Check the record. That is not what the member said.

**Mr. Laughren:** That is exactly what it is doing. It will not sign a document that says it will never store nuclear waste where it is doing the testing. It will not do that. The government is asking the people of Massey to trust AECL with the source of its drinking water. It must have a lot more faith in AECL than I do if it puts that much faith in it.

In response to a survey AECL did in the community, more than 88 per cent of the people said, "We do not want that testing to be done where our water supply is going to come from." But that is totally ignored. The Ontario government will not intervene or even ask AECL to be subjected to an environmental assessment. It will not even ask.

If one talks to the people in that community, one finds that they feel as if they have no friends at all, because this government will not intervene. I know it is under federal jurisdiction, but this province will not even ask AECL to be subjected to an environmental assessment.

We have a long way to go before we can be proud of the quality of life in this province, because we cannot provide all its citizens with good, clean drinking water.

4:20 p.m.

**Mr. Harris:** Mr. Speaker, I wish to congratulate the member for Hamilton Mountain for his interest in and efforts on the environmental

issues in Ontario which I have seen in my short time here at Queen's Park; and although I am not prepared to support Bill 45, which the member introduced today, none the less I do commend him, not for the drafting of Bill 45 but for what I have seen—

Interjections.

**Mr. Harris:** If the honourable members will be quiet, I will continue complimenting the member; but if they want to keep on, I can skip this part and get into the other.

Interjections.

**The Acting Speaker:** Order.

**Mr. Harris:** I think it is important. I think he has demonstrated obvious concern and has provided the opportunity for debate today on a matter that members on all sides of the House, I believe, are concerned about.

**Mr. J. A. Reed:** If you believe in it, you should stand up for it.

**Mr. Harris:** I am standing up right now, and I will tell the members why I do not like this bill, why I have certain reservations when it comes to accepting the bill.

My general criticism is that Bill 45 is narrower in scope than the Ontario Water Resources Act; it deals only with drinking water and lacks the all-encompassing approach that is taken in the Ontario Water Resources Act. The bill before us appears to be patterned after the US Safe Drinking Water Act. Like its counterpart, as my colleague the member for Durham-York (Mr. Stevenson) pointed out today, Bill 45 provides only a legal framework for controlling the quality of drinking water; it does not become involved in the most important aspect of ensuring safe drinking water, the control of toxicants.

What the ministry currently accomplishes through policies under the Ontario Water Resources Act Bill 45 proposes to achieve through formal legal procedures. It appears that the intent and purpose of Bill 45 are satisfied by the Ontario Water Resources Act. I will give members several examples in that area which I believe show the redundancy of the bill.

First, Bill 45 requires anyone supplying the public with water to ensure this water meets the standards and requirements of the Ministry of the Environment. The Ontario Water Resources Act requires the same thing, perhaps in a slightly different way. Any person contemplating the establishment of waterworks—and this includes any municipality—must apply to the Ministry of the Environment for approval. Ministry personnel, before granting an approval,

must ensure that the applicant will provide a proper supply of water. The Environmental Protection Act also requires that all approvals be kept in a record which is available to the public.

Second, Bill 45 provides an offence and penalty section to protect water supplies in Ontario. There are similar offence and penalty sections in the Ontario Water Resources Act. The individual fines, one may argue, are lower in the Ontario Water Resources Act than in Bill 45; but I suggest that the potential for higher fines is perhaps greater in the Ontario Water Resources Act, because the fines are determined on a daily basis.

Third, the water review board established by Bill 45 to hold hearings on proposed standards and regulations is the same kind of tribunal as the Environmental Appeal Board and the Environmental Assessment Board. These boards provide for full public participation in the decision-making process.

**Mr. Elston:** You never use the Environmental Assessment Act.

**Mr. Harris:** Then criticize that, but it is there.

Similarly, the water advisory council proposed under Bill 45 to advise the minister on research and health effects could be created under the Ontario Water Resources Act. Section 7 of the act gives the Minister of the Environment the power to conduct the research that is described in Bill 45. The Ontario Water Resources Act also gives the Minister of the Environment the power to make regulations that are similar in scope to those envisioned in Bill 45.

I cannot accept the arguments presented by the member for Bill 45, given the fact that our government has the power under existing legislation to ensure safe drinking water. Regulations regarding the setting of water quality standards, maximum permissible levels of toxicants, testing requirements and monitoring frequency can all be made under the Ontario Water Resources Act.

My colleague has pointed out that we in this province have access to safe drinking water and excellent sanitation facilities. Our healthy population is proof that existing procedures are more than satisfactory in controlling and monitoring our water quality.

I bring to the honourable member's attention the recent report presented to the Canadian International Development Agency by Brian Grover of R. L. Walker and Partners Ltd., consulting engineers and economists, entitled

Canadian Prospects for Providing Operational Assistance to Water Supply and Sanitation Systems in Developing Countries.

This report acknowledges Canada's, and particularly Ontario's, expertise in water supply and waste water disposal systems. The report also points out that half of the world's population—the majority of those who live in the developing countries—does not have access to a safe supply of drinking water. For them, a safe water supply is still more of a wish than a reality. Clearly, the absence of these essential services causes untold hardship and misery in those undeveloped countries.

The developing countries are attempting to expand their water supply and sanitation services to meet the basic needs of some two billion people by 1990. Since Ontario has already reached the goals for which developing countries are striving, the CIDA report recommends that Canada should commercially exploit its expertise in this area to improve the existing water supply and sanitation systems in developing nations.

At the same time, the benefits to Canada can be enormous in this area. It is estimated that Canada's water supply and waste-water industry could win contracts worth up to \$40 million annually. An expanded Canadian role in operational assistance very likely would facilitate a larger Canadian role in establishing trade links with the developing nations. This is what is happening now in Ontario.

In closing, I urge the members to weigh carefully the implications of the honourable member's bill. I see no need to pass more legislation, particularly a bill that is largely redundant at a time in the history of Ontario and Canada when I believe we are already overlegislated. The bill does not provide the necessary controls and guidelines to fully protect and enhance the quality of our drinking water. We have in existence now an act that is more than satisfactory in ensuring high standards for drinking water in Ontario.

**Mr. Kerrio:** Mr. Speaker, at the outset I want to tell the New Democratic Party that we wholeheartedly support the bill. We join them in having been much involved with and concerned about the quality of water.

It is not all that many years ago that we had governments formed federally and provincially here in this great country of ours. Many of them met at Niagara-on-the-Lake to form the first Parliament of Upper Canada on the banks of the Niagara River. I am sure on that day those



parliamentarians moved about on the great waterways of the province and took their food from those waterways.

I cannot believe they would have foreseen that in such a few short years the public would have to come hat in hand to ask the government to protect the drinking water of this province. That is basically what is happening here today. One might have called this environmental day, because the minister reacted to the citizens who were going to come today to hear this bill debated and moved in a direction we have been attempting to get him to move for a good long time.

We certainly have taken the initiative to put a bill, in the name of our member for Huron-Bruce (Mr. Elston), which our former leader had put. It was a very responsible bill to protect the water in Ontario and to enable us to go after the polluters.

All the members of the government have seen fit to do today is to defend a policy in which they say there is legislation in place and all we have to do is take action. But they have not done it. That is why we are debating this bill today, and that is why there are citizens here who want their water protected. It is because the government has not taken advantage of the legislation that does exist. It has failed to do that. It has poisoned the English-Wabigoon system and the St. Clair system. A former minister said the polluters were going to pay. They have never paid. The people in Ontario are paying.

**4:30 p.m.**

The minister's assistant is telling us that now we are so sophisticated we can measure not only in parts per thousand but in parts per million and parts per trillion. We have to be able to measure down to those very small measurements simply because the toxics are getting so potent that enough dioxin on a pinhead will kill any number of people.

We do not have a choice about getting that sophisticated. We have to be in order to measure the toxicants in the water. The simplest test of all is still there to be seen. The government wants to drag in all kinds of heavy research, involve infinite numbers of people and spend all kinds of money. There is a very simple way to know what this government has allowed to happen to Ontario's waterways, wells and water supplies. Fish cannot live in them any more. That tells us something.

It is said that people are living longer because we have good water. That is not true at all. They are living longer because of advances in medical

treatment in some of the things that used to kill people off in the past. This government has done little or nothing to protect the waterways in this province.

What a shame that, after having all kinds of high priced help over there, the citizens have to band together to protect their drinking water. It is happening in every jurisdiction. When the ministry tries to defend its position to the people in Stouffville it is wasting its time and the time of this Legislature.

It should decide whether it is going to get behind meaningful legislation, and whether it is going to take some comments from this side of the House where we are trying to be constructive and tell the government it is just about time to keep the promise.

Some very able members of the Legislature and some very able people outside, people who have been very much involved in the bill before us today, such as Toby Vigod of Canadian Environmental Law Association and Anne Wordsworth of Pollution Probe, have taken this responsibility and carried it forward.

This government did not represent the people of Ontario at the hearings held when tremendous volumes were going to be dumped into the lower Niagara River. The minister went as a private individual because this government did not have a commitment to send someone over there to say, "We are the province of Ontario, and that is an international waterway which knows no bounds. Those pollutants are going to come right across here to us."

It did not have the kind of fortitude it takes to go over and tell our American friends that we will not put up with that, that we will join together with the federal government and do what we have to do to turn this thing around.

The people with wells in the area of dump sites know full well that when one continues to put contaminant on top of contaminant, hydrostatic pressure pushes those contaminants out. They know York Sanitation did not put the contaminants there, but they also know if one continues to pile on top of those contaminants they are pushed out and pushed into the wells, and that is what they are concerned about.

They have every right to be concerned, because they cannot trust this government to share with them honestly all the tests that have been made. On many occasions I have asked this government to identify the dangerous sites where the leaching might get into the wells and drill the kinds of test facilities around those to know when those contaminants are on the

move. It is not good enough to have a committee or a group testing the water after the fact. After the contaminants have moved into the water supply it is too late.

That is the kind of initiative we want to see the government take. That is why we join with the NDP today to suggest this government has had plenty of time to do it. It has failed to do it. Now comes a time for us to start pushing. The public is going to start pushing.

We saw how the minister reacted today the minute he found out we were going to debate this bill and there might be people in the gallery who are very upset about the inactivity on the part of the government.

**Mr. Wildman:** Where is the minister?

**Ms. Copps:** He doesn't even show up.

**Mr. Kerrio:** He has his parliamentary assistant here to tell him how the people reacted to this bit of reaction the minister had today because of the pressure that was coming to bear.

Here is a little background as it relates to the fact that our former leader introduced a bill, which was re-introduced today by our member. We feel that bill should be considered as well.

The contamination of drinking water supplies, both public and private, is becoming a matter which we read about more and more. Just as acid rain became a buzzword, toxics-on-tap and a deadly drink might become media buzzwords in the future unless this government takes some kind of action.

A review of legislation demonstrates that although legislation has been enacted to control water pollution at the source, this legislation has not been effective in preventing the continued degradation of the waterways.

Ontario may use the Ontario Water Resources Act or the Environmental Protection Act as legislation to protect drinking water; however, the provincial government has not taken advantage of its powers under these acts to control pollution effectively. Enforcement has been sporadic and uneven.

Furthermore, even where existing legislation provides a framework for establishing regulations, the government has not used these provisions to enact standards. This means that with respect to drinking water there is no legislation regulating contaminants at the point of consumption, that is at the tap.

Within ministerial regulation powers under the Ontario Water Resources Act, the minister may make regulations specifying standards, not just guidelines of quality, for water supplies.

The minister knows that has not been done. I say that we should all support this bill and get on with the very important aspects of this. They are important to the people of Ontario.

**The Deputy Speaker:** I was going to point out to the member for Beaches-Woodbine that she would probably have about one minute, because the time for this will expire at 4:39 p.m. As a result, would you like to give your minute to the honourable member who introduced the bill?

**Ms. Bryden:** I will defer to the member.

**Mr. Charlton:** Mr. Speaker, it is difficult to respond in three minutes to all of the things that have been said, but I would like to pick a couple of them.

Both of the members on the government side—the member for Durham-York (Mr. Stevenson) and the member for Nipissing (Mr. Harris)—keyed on the fact that in their opinion and in the opinion of the government all of these things are already covered in legislation.

During February of this year, I listened to over 50 citizens' groups from across this province who have been fighting battles specifically related to water in their communities. They have found there is no easy legal access in the existing legislation to deal with the problems we are trying to deal with in this bill. That is the first item. I would like those two members to think carefully about that and I would like the member for Durham-York to carry that message back to the minister.

The second point is that the member for Nipissing made the point that the minister already has the power under the Ontario Water Resources Act to do the research I am suggesting he should do. There is a substantial difference between a power for the minister to do research at his discretion and an obligation that is set down in this bill for the minister to do that research instead of sitting on his hands having the power and not doing it.

In wrapping up, I want to say to the government members that this bill was developed in large part by the input of citizens and citizens' groups from across this province, not by some political plot of the left in this caucus. This is the kind of legislation the people in this province feel they need to deal with the concerns they have about water.

We sat for several days listening to group after group telling us this is the kind of thing they need. If there are specific things in the bill that upset the government, they can be dealt with in committee outside of the House, where



we can have further public hearings and hear from more groups from across the province. The principle of the bill is what we should be dealing with here today; it incorporates the concerns that have been expressed by citizens from across this province.

I encourage members to support the bill.

4:40 p.m.

### FARM PRODUCTS MARKETING AMENDMENT ACT

Mr. Riddell moved second reading of Bill 47, An Act to amend the Farm Products Marketing Act.

**The Deputy Speaker:** Before you start, would you like to reserve some time at the end?

**Mr. Riddell:** No, Mr. Speaker, I am going to go right through. Twenty minutes does not give me sufficient time to say all that needs to be said about the unfair trading practices in the food industry.

If I can convince members on both sides of the House in the time allotted that the formation of large buying groups by the major chain stores to exact more discounts and allowances from their suppliers is destroying competition, which is the essence of free enterprise, then I am sure my bill to prohibit such practices will receive unanimous support. Ultimately, it will be a major step to protect consumers from unjustifiably high food prices.

If one were told that supermarkets are able to make large profits while farmers are facing financial crisis, would one not find a certain irony in that scenario? Furthermore, would one not be suspicious of supermarket practices if one were told that one food chain raised the price of a certain food product 13 per cent almost overnight followed by a similar unjustifiable hike in price by two other chain stores within a week?

When a director of sales and marketing for an independent supplier of this product was contacted, he said no price hikes were justified for this product. When a consumer complained and the matter was investigated, the chain store which originally hiked the price said that an error was made when prices were readjusted after the long winter price war in Ontario.

Is it not rather odd that the other two chain stores made the same error? After the customer complained, all three chain stores dropped the price of that one product to the same level.

It raises the question as to how extensively this practice is carried on and what that says for

competition. I submit we are losing competition in the food industry. As an indication of this, another buyer was recently taken out of the market when Dominion and Steinberg merged their buying power into one of the nation's most powerful buying groups known as Volume One.

Ken Gadd of Peterborough, who runs the Canadian Federation of Retail Grocers, which represents family owned and operated supermarkets said the creation of Volume One means, "It is going to be tough for the independents to survive." But he predicted the larger concern lies among food processors because Volume One is "just a means of extracting more discount from the manufacturer."

Herein lies the irony. Supermarkets engage in practices which continue to make them larger profits at the expense of not only the food producers but the independent processors and manufacturers as well, all part of the food chain; yet the food producers are trying to make themselves heard in their protest to governments over high interest rates, another player in the country's food system, while the five major grocery chains receive scant attention on the effect they have on producer prices.

Recent profit figures show supermarkets made sizeable 1981 earnings, even taking into account the year-end price war, while the farmers who produce their commodities saw slack prices and rising debts. There was a 115 per cent increase in farm bankruptcies last year over the previous year due to high input cost and low product prices. Yet profit figures released last year for food sales showed that while many of the supermarket chains were hurt by the price war most of the big five made extremely comfortable profits.

There is no question that the way supermarkets make profits while farmers lose money is by using their market power to pressure processors, such as the canners, meat packers, frozen food companies and other wholesalers, to keep their prices low. We know from conversations we have had with processors that there is a lot of pressure put on them by these chain stores.

The processors, in turn, keep prices low to producers. Often the farmer is faced with a take-it-or-leave-it attitude as far as price is concerned with little assurance that even the bare cost of production would be met.

It is becoming more and more obvious that the supermarket chains hold enormous power over farmers and independent suppliers; while crippling interest rates are the most immediate threat to the survival of Ontario family farms,

the growing chain store power should concern farmers and consumers alike.

The latest merger of buying power by Dominion and Steinberg was apparently done to match the buying power of other buying groups in the Canadian market. You are aware, Mr. Speaker, of the arrangements which were made between Loblaws Ltd. and Provigo Inc. in Quebec to form a buying group known as Foodwise, which took place not too many years ago.

Buying groups originally began among small-scale retailers who were losing out to the clout of the major chains. So they decided to band together to gain bargaining clout associated with large volume and distribution efficiencies in centralizing warehousing and services. IGA and Red and White were among the first. The federal government welcomed that development because it helped the weak in the industry, but now the government faces an entirely different issue as the major chains begin to use the same buying group vehicle to combine their clout.

Cranston Knechtel of Knechtel Wholesale Grocers Ltd. said: "I wish we could get out of this system. It would be a lot cleaner."

The purpose of these large buying groups is to get bigger volume discounts, but unfortunately these discounts bear no relation to any cost savings to the supplier. Volume buying will force suppliers to raise prices to their other customers, such as the smaller independent grocers, and so the noose tightens around their necks. Large buying groups also place enormous pressure on small processors and suppliers and are rapidly putting them out of business, as they are the independent retailers.

Just as a matter of interest, the power of the major chains in this province continues to increase at the expense of the independents. Last year their share of the grocery sales in Ontario went to 75.1 per cent of the market compared to around 48 per cent about 15 years ago.

It is interesting to compare these figures with those in the United States, where the five major food chains share only 26 per cent of the grocery sales, thanks to the Robinson-Patman Act which the American government passed to prohibit unfair trading practices and to give competition a chance to work in the free market.

Under this act, it is illegal for supermarkets in the United States to form buying groups in order to get larger volume discounts from food processors. The bill I have introduced will likewise prohibit unfair trading practices in the food

industry and will give the independent suppliers and retailers a much fairer opportunity to compete.

I am not the only one concerned about the concentration of power in a few large supermarkets. In the words of Ruth Jackson, an executive with the Consumers Association of Canada: "The formation of buying groups is definitely going to decrease competition. We just can't see that supermarkets united in a buying group are going to compete aggressively."

Mrs. Jackson said there is no guarantee that the buying group will pass on to consumers the money saved by buying large volumes of groceries and she is concerned that the pressure for large volume discounts could push some small food processors out of business.

To quote Mrs. Jackson again: "It puts the small processor in a most difficult position right now and there seems to be no hope for the small retailer. There doesn't seem to be too much we can do right now. It was set up quite legally but it is a really frightening proposition from the consumer point of view to see buying power so concentrated."

According to Kenneth Gadd, head of the Canadian Federation of Retail Grocers: "Small grocery stores are also endangered by the formation of buying groups such as Volume One and Foodwise. The small grocers say they have to charge higher prices because they can't get the same volume discounts as large chains. They believe the discounts should be outlawed in Canada, as they are in the United States."

**4:50 p.m.**

Mr. Gadd continues: "Such large buying groups create unfair competition for small stores. Even though they are members of buying groups, the small stores cannot force or request large discounts from food manufacturers because they do not buy in large enough volume."

The Ontario Federation of Agriculture is also concerned that the purchasing policies of the supermarkets are reducing not only the number of food retailers but also the number of suppliers of food products. Vertical integration in the food industry is already well established and will be intensified as more and more small suppliers find they cannot afford the escalating discounts and price allowances being demanded by the big retailers.

More mergers, buy-outs and drop-outs will take place until the concentration of economic power on the selling side matches that of the buying side. More and more food processors



and distributors will fall under the direct or indirect control of the corporate retail chains. Some will say this is the inevitable nature of free enterprise and is bound to have beneficial results in industry efficiency and cheaper prices. My colleagues and I disagree.

Let me assure the House that the Ontario Liberal Party is sincerely devoted to free enterprise. We believe the essence of free enterprise is competition; that the concentration of economic power in the hands of relatively few buyers and sellers is the antithesis of competition and the curse of free enterprise.

Monopolies and oligopolies are not necessarily more efficient and no cartel, to my knowledge, has ever advocated lower prices. It is established public policy in this country that competition is promoted, and economic domination prevented, by outlawing unfair trading practices as those practices may be defined from time to time in legislation.

Perhaps I should qualify that statement by saying this has been the public policy pursued by governments which support the free enterprise system. When I first introduced this bill in December 1979, and debated it in June 1980, the members on the government side used as an excuse the argument that trading practices are governed by federal legislation.

I will admit the main legislative vehicle for implementing policy in this matter has been the federal Combines Investigation Act, or the competition act, as many now prefer to call it.

This legislation has been under review for some years now with the stated intention of correcting many of its perceived inadequacies. The federal government introduced certain amendments in 1977 but they were not enacted. I do not believe there has been any change in the competition act since then and my comments must therefore be based on the statute as it currently stands.

Pertaining to that act, the key provisions relative to the trading practices in the food industry appear to be sections 34 and 35. Section 34 outlaws price discrimination by requiring a seller to sell equal quantities of the same product to buyers who are in competition with one another. That requirement has been in the act for 40 years and was adopted to deal with the situation disclosed by the royal commission on price spread in 1935.

I believe I am correct in saying there has never been a conviction under this section; although one should add, perhaps, that it has undoubtedly had a deterrent effect. An obvious

consideration in prosecuting section 34 offences is that the Combines Investigation Act is criminal law. Therefore the crown is required to prove every element of the offence beyond reasonable doubt. I will have a further comment on this aspect in a moment.

Section 35 outlaws the sale of promotional and advertising allowances which are not offered to competitors on proportionate terms as defined in the act. It is my impression that the section has been rarely enforced. There are a number of inadequacies in the federal law as it now stands. I shall deal with only three major points, which in my opinion justify the need for complementary provincial legislation.

The first difficulty is that the federal law, as already noted, is criminal law. Many of the practices and offences against competition and trade which the legislation seeks to deter are not criminal offences as most people today understand that term. A more flexible approach than that permitted by the criminal law is needed.

The proposed amendments introduced by the federal government in 1977 sought to provide such flexibility by establishing a civil procedure with respect to what were called price differentials. While these proposals have not come back to Parliament, it is worth noting that they were criticized at the time as being ultra vires of the federal government.

The second major difficulty with current federal law is that it contains no discernible concept of cost justification as a test for the legitimacy of discounts and allowances granted or requested, particularly in respect of advertising and sales promotions. Without such a concept and test, I submit section 35 of the federal act is virtually unworkable. The Robinson-Patman Act in the United States corrected this deficiency years ago.

The third major difficulty, and in my opinion the most serious one, is that the federal law prohibits unfair trade practices by sellers. The entire act is designed to promote competition by preventing undue economic domination by the sellers of products. It is a moot point whether a buyer could be prosecuted, let alone convicted, under sections 34 and 35 of the federal act. Again, the US Robinson-Patman Act corrected this deficiency years ago.

I submit that this rather antiquated view of competition policy in Canada must be corrected. Many of the problems in promoting competition in today's economy arise from the concentration of economic power in the hands of large buyers. Control of the marketing side of trade

by a few large buyers is as bad as control of the supply side by a few large sellers. Yet our legislative regime has not caught up to this rather obvious truth.

During the 1980 public inquiry into discounts and allowances in the food industry, to my knowledge no supermarket chain testified that it is the victim of price discrimination by its suppliers. Rather, I believe the weight of the evidence had all been the other way. These discounts, kickbacks and allowances are being aggressively sought by the big chains on the unspoken implication that the seller who does not provide them risks doing no business with that particular buyer.

I do not think it too strong to say they are being exacted from suppliers by the big chains. In this regard, I draw attention to what appears to be a standard clause in the pricing arrangement that the chains negotiate with their suppliers, wherein the supplier declares that the deal he has just concluded, usually to the tailor-made specifications of the chain, is being offered to all competing buyers in the trade; thus does everyone keep clean of the letter, if not the spirit, of the Combines Investigation Act.

My colleagues and I submit that provincial legislation is necessary. I have outlined in the bill the kind of legislation that would prohibit unfair trading practices in the food industry.

I would like to refer to two other arguments used by government members to vote against my bill when it was introduced in 1980. They argued that the responsibility to regulate trade practices should not come under the jurisdiction of the Ministry of Agriculture and Food but rather the Ministry of Consumer and Commercial Relations.

As is obvious to everyone, the responsibilities of the Minister of Agriculture and Food (Mr. Timbrell) do not end at the farm gate, as has been argued by that side of the House many times in the past. As his very title states, he is the minister responsible for food as well as agriculture. Moreover, the bill which I have introduced is an amendment to the Farm Products Marketing Act, an amendment which accepts the definition of marketing, and with certain minor changes the definition of farm products, already contained in that act.

The amendment would also accept without qualification the purpose and intent of that legislation. The Farm Products Marketing Act was enacted under the umbrella of section 95 of the British North America Act, whereby the provincial and federal legislators have concur-

rent powers respecting agriculture. Any provincial law is effective in the province provided it is not repugnant to any federal law.

It is legislation which has been held to be constitutionally valid by the court, and I should reiterate that we are not proposing some kind of legislative end run around the federal government's undoubtedly exclusive jurisdiction over the criminal law or the regulation of trade and commerce. We believe the problems involving public policy can best be resolved by removing them from the context of the criminal law.

Mr. Speaker, you are not going to allow me to finish and deal with the other arguments that were used on that side of the House last time, so let me end by saying that I have endeavoured to show that unfair trade practices in the food industry are of real concern to food producers, suppliers and independent retailers, not to mention the concerns the consumer will have if it is allowed to continue.

5 p.m.

The essence of a free society is choice. The greater the increase in concentration, the greater the restraints on choice. The choice of goods and services available to consumers becomes limited; employees are restricted in their choice of employers.

Suppliers find a restricted number of purchasers, especially with respect to industrial merchandise; and competition, the essence of free enterprise, is being seriously eroded. I am trying to correct this situation and the unfair trading practices by introducing this bill, which, after my debate now, I am sure will entice all members to support it.

**Mr. MacDonald:** Mr. Speaker, if the member for Huron-Middlesex found it difficult to present this whole case in 20 minutes, imagine my plight in trying to deal with it in 10 minutes.

The member has spelled out the practices in the food industry and the role that rebates, discounts and allowances play in making those practices unfair and inequitable. I am going to accept most of the case he has made and not attempt to repeat it because I do not have the time to do so. Most of what he has said is factual.

To the extent that the member has brought in opinions, I think they are opinions that are very widely promulgated and very widely accepted as being an accurate assessment of the effect of discounts and allowances in creating unfair practices.

In my limited time I want to focus on the solution the member has come up with. Quite



frankly, while I think everybody would agree this is a problem that has to be tackled, I have reservations as to whether what he has proposed is the best and most effective way of doing it. In other words, I support both the principle and the spirit of the bill; but I have reservations about the substance of the bill, and that is what I want to speak to.

In talking to some people in the Ontario Federation of Agriculture today I was interested to discover that their view is in essence just what I have said: that this bill needs to be brought in, this problem needs to be tackled; but they, too, have serious reservations about the substance of the bill. I was interested to go back and take a look at the debate we had on June 5, 1980. I concluded my contributions at that time—

May I interrupt myself, Mr. Speaker, to remind you that the first time the member introduced this bill he did so after the royal commission hearings had been completed but before we got the report. In other words, he was jumping the gun as to how we might come to grips with an obvious problem, although I do not suppose I should say it was very obvious because the commission did not recognize it very well.

**Mr. Wildman:** They were blind.

**Mr. MacDonald:** They were blind. Right.

I concluded my remarks then with this paragraph: "In brief, discounts are obviously not an honourable way of doing business." I think I would revise that statement after a couple of years and say that they are a vicious way of doing business; I was a bit too charitable two years ago. "They are a weapon by which the big become bigger. The supermarkets are destroying their competitors, and the consumers, the processors and the producers in many instances are suffering along the way. This is within provincial jurisdiction"—this whole problem, this whole issue. "The government can do something, either by amendments to the Farm Products Marketing Act or, if I may suggest, without wanting to pull the rug out from under this bill, under the Business Practices Act, to apply across the board, not just to farm products."

Let me elaborate on that conclusion, which I made two years ago. My first concern about this bill is that the honourable member is attempting to tackle the problem within the framework of the Ministry of Agriculture and Food when—dare I join my colleagues on the other side of the House for a moment in suggesting this?—the appropriate place for it to be done is within the

Ministry of Consumer and Commercial Relations.

The government had food added to OMAF back in 1963, and for 15 years or more they had a food council that was supposed to concentrate and do the job on the food industry beyond the farm gate. It never did that job; it was dismissed as being ineffective and useless, and even the government recognized it as such in the latter part of the 1970s. The government argued that since in the interval it would set up within the framework of this government a ministry to deal with consumer and commercial relations, that ministry would be the appropriate place to tackle the problems that might emerge in the food industry but which were also problems that emerged in all trade and commerce across the board.

The problem at the moment is we have fallen between both ministries and neither is doing this. The appropriate and logical place for these problems to be tackled is the Ministry of Consumer and Commercial Relations.

I do not want to be dogmatic because this is really a tough one to come to grips with but, when one gets to the substance of the bill, this is where my concerns begin to mount. What the member has attempted to do in his bill is to designate and categorize or define unfair practices. If I may try to summarize it and put it in a nutshell, what he has said is, on the one hand, if a buyer or seller does not give or get the same kind of treatment as other buyers and sellers are getting, then it is an unfair practice. In other words, one cannot have a discount and allowance given to one buyer by a seller or vice versa if it is not available to everybody else; to do so is an unfair practice.

The second unfair practice is that, if a buyer and a seller give a discount, if there is no return in equal value through that market advantage that was given, then again it is an unfair practice. The thing that puzzles me is that this business of having to give an equal discount to that offered to other people is not a new idea. As the member has already pointed out, it is in the Combines Investigation Act. It has never proven to be effective. It is a legal quagmire that nobody would willingly, consciously or intentionally wade into, other than lawyers who are going to fill their pockets by doing so. We have never been able to get an effective regulation of the destruction of competition through combines as a result of our Ottawa legislation.

I suggest to my friend that, in bringing in this bill, he is really attempting to do essentially the

same thing. Just imagine the fun lawyers are going to have when one must have equal circumstances between buyers and sellers on the discount and allowance when it adds "under substantially the same terms and conditions of sale and delivery." In other words, the quantity and the transportation distance must be the same, and all the other conditions must be the same. One does not need to be a very bright lawyer to be able to begin to make a case before a judge that the conditions are somewhat different and therefore one does not have to give the same discount to somebody else. It is not clean, neat and tidy. It is an invitation to a legal quagmire. Therefore, I am not certain it is really going to solve the problem.

It is interesting to note that the Quebec government and the provinces in western Canada have tackled one area of this. They have done it neatly and cleanly. In the hearings of the Inquiry into Discounting and Allowances in the Food Industry in Ontario, as well as in the standing committee hearings we had in advance of them, the one product on which there was obviously heavy focus in seeking discounts was milk.

Those discounts, incidentally, were as high as 25 and 30 per cent. The reason is simple. Milk is a product most people want. The supermarkets will exact a discount of 25 or 30 per cent and then use milk as a loss leader. They will get the customers to come into their stores, get milk cheaper and therefore buy the other products. They create unfair competition with the independent grocer down on the corner.

We had people who came before the standing committee who pointed out in documented fashion the situation of the independent retailer. I can think of one instance in the city of Kitchener. This man said that when he bought his products wholesale, they cost him more than the price at which the supermarket down the street was able to retail them. Why? Because the supermarket had exacted such monstrous discounts and allowances. I repeat, that is not an honourable way to do business; it is a vicious way to do it. It is a practice by which the big are getting bigger and the little independent man is being driven to the wall.

How have other provinces come to grips with this? Let us narrow the focus, not deal with the broad field, but with this one product which is so key, milk. It is simple. If one goes to the western provinces or Quebec, the milk commission of the province, or the equivalent agency, fixes the retail price of milk, just as it fixes the price the

farmers get in accordance with the formula. In fixing that, the possibility of discounts and allowances is eliminated from the picture.

**5:10 p.m.**

This is a problem that must be tackled. I think it should be tackled within the framework of consumer and commercial relations. I do not think the techniques that have been suggested in this bill will really come to grips with it, and if they do, there will be a legal quagmire as bad as that of our Combines Investigation Act. It is something we should bring before this House and support in principle. I hope some time soon either the Ontario Ministry of Agriculture and Food or the Ministry of Consumer and Commercial Relations will do something about it.

**Mr. Stevenson:** Mr. Speaker, I am pleased to join the debate today on Bill 47. It is obvious that one of the motivating circumstances that brings this bill into the House now is the continued consolidation of purchasing power in the retail food industry. This type of consolidation is not new to this industry or any other industry associated with agriculture or any industry in general in the western world.

Originally, in Canada, as the member for Huron-Middlesex (Mr. Riddell) said, Canadian business was built by hard-working individual entrepreneurs who, with innovative ideas, started businesses in their chosen fields. These entrepreneurs usually grew in size and expanded their businesses as they captured more of the market or as they acquired other businesses and other competitors. This gradual expansion of business has developed over the years to a point now where we see the General Motors, the Massey-Fergusons, the Westons and so on that we are all quite familiar with.

As the member across the way said, to some, this type of progression is a natural one in the free enterprise or capitalist system. Many others see it as the demise of free enterprise, when they see the concentration of market and the concentration of power going to fewer and fewer people and increasingly few entrepreneurs at work. Although this consolidation of power is certainly not unique to the food industry, to me it is of greater concern in the food industry than in many others.

For many consumers, particularly in large cities, their knowledge of the food industry stops at the retailers' shelves. Consumers see displays, advertising, promotional propaganda and so on in the retail industry and base many of their purchasing decisions on this sort of infor-



mation. The promotional campaigns and merchandising decisions of the retail sector inevitably affect other people and groups in the food industry such as producers, processors and wholesalers. It affects these various groups to varying degrees.

The formation of buying groups is not at all uncommon in industry or in the agricultural sector. A good example is that 14 of the largest farmers in the area where I live got together and formed a buying group. They bought all their herbicides; these were delivered to my farm this morning and picked up there by the individuals who formed the buying group. They did it, of course, to get various discounts. In doing this, they hope to get a better price.

We also see it in the agricultural community, for example, in the marketing of seed corn, various warehousing discounts, early delivery discounts, joint advertising promotions and rebates of various sorts with which farmers and farm groups are familiar and, quite frankly, insist upon.

The question that arises here today is to what extent should the consolidation of buying power be allowed and which of the many options available to deal with this consolidation do we wish to choose, if any?

**Ms. Coppins:** Gouge. Consolidation or gouge.

**Mr. Stevenson:** If the consolidation of buying power is not abused, it is not detrimental to individual producers, producer groups or small processors.

In many cases consolidation of buying power can bypass normal merchandising systems and cut out some levels in the marketing structure. This removes a few hands from the till and often improves efficiency in the marketing of food products. However, the fear exists that this consolidation of power can be used against individual producers or processors to provide unrealistic demands or rebates.

The report of the inquiry into discounts and allowances in the food industry was not as broad as some had hoped. However, if one thoroughly reads the report and talks to representatives of various marketing groups in the agricultural industry, it becomes clear that these allowances do not often seriously affect the primary producers of agricultural products in the country.

The member for Huron-Middlesex read out the percentages and the increase in share of the market of the various groups. I will not go over them again. The formation of a joint buying company of Dominion and Steinberg's is a natural cause for worry for the small retailers,

producers and processors, as well as consumers, who could be affected in the long run. Obviously, it is the smaller processors and retailers who feel they will not be able to compete.

This brings us to Bill 47, which attempts to deal with this potential problem in one way. Although the honourable member has argued otherwise, I still believe issues dealing with competition belong in the Combines Investigation Act. There is some very real concern that portions of Bill 47 are really outside the constitutional power of the province.

To whatever extent Ontario is allowed to exercise jurisdiction, I believe that the question really belongs in the Ministry of Consumer and Commercial Relations. That ministry has responded and is looking into the creation of Volume One. I understand the federal government is investigating the matter as well. Should that not be sufficient to show where the responsibility lies, I suppose the Robinson-Patman Act in the United States is federal legislation.

The US Department of Justice has been strongly critical of that legislation and has recommended that it be repealed. It is extremely expensive to cost-justify a discount or rebate and there is a large body of opinion in the US to the effect that the act discourages rebates, adds to the cost and therefore results in higher costs than necessary.

Testimony to the Leach commission was almost unanimous that more legislation is not desirable or advisable at the present time. These comments came not only from big companies, but also from representatives of small and medium-sized businesses.

I am familiar with the marketing of many agricultural products. To a degree, I share the concerns of members who have spoken. However, I must add that my experience in many sectors of the agricultural industry has been that there is a sincere effort to market Ontario products and produce, providing they reach the retail outlets at a quality competitive with that from other sources.

**5:20 p.m.**

If the problem is one of a very few, powerful buyers, then let us deal with it by calling for better competition laws from our national Parliament rather than by imposing an awkward system of controls that can only harm producers, processors and consumers.

**Mr. McGuigan:** Mr. Speaker, I rise in support of Bill 47. I am very disappointed this government did not enact it when it was originally

brought forward in 1980, and I am saddened by the fact that we have to talk about this subject again.

I will take members through a bit of the history of this business. At one time it was run by small entrepreneurs on both sides, of the buying and the selling, and there was a somewhat equal balance of power between them. Today we find that the large, retail enterprises are run by masters of business administration who are armed with the latest market reports, statistics, computerized ordering and accounting systems and every modern business tool they can bring to bear on the subject. The problem is that farmers, marketing boards and smaller organizations do not have the power to deal with those people.

Just to step back a minute, many years ago we had an arm of the Ontario Ministry of Agriculture and Food known as the Ontario Food Council. I disagree with the member for York Centre (Mr. Cousens) who said it was not effective. In its first years it was quite effective. The chain stores worked very closely with it. When the council made some recommendation it very often carried through with it. Today, the competition is so severe and so great and the four or five top companies are fighting so hard for market share that they simply cannot have the luxury of listening to the Minister of Agriculture and Food or to the food council.

Sadly, ministers subsequent to that time have lacked the will and the influence with the chains. I would mention that three ministers ago we had a minister who did have influence and did step out. I wish I had the time to tell members some personal examples I know about.

The point today is that the players are so few, the competition is so intense and the profit margin so small that if one chain carries on a practice that gives them an advantage, however morally questionable it might be—and I use that term advisedly, because under the Robinson-Patman Act it is considered illegal in the United States and, I think, in Australia—the others have to follow suit in order to survive.

After the 1980 inquiry, the discount practices seemed to lessen, although they certainly did not disappear. Today, two major chains are joining hands to create a discount or profit centre, as Loblaws labelled their operation in the inquiry. During that inquiry some thought was given to the profit centre. Why did the chain stores establish a profit centre? There was some thought that perhaps it was a gimmick to hide profits or to avoid some income tax, but that was

dispelled; no plot was discovered, and we were quite satisfied that there was none.

I believe there are two logical reasons. One is to put pressure on the buyer to produce discounts, to measure the discounts that an individual buyer's performance can be brought upon to extract. Those amounts of dollars are measured against other buyers, and the pressure is on everyone in the system to produce the same percentage of profit. The second reason, I believe, is to isolate the discount from the individual produce manager. We must remember that in today's market most of the buying is done by corporate buyers, who do their buying from a central office.

In the case of the produce that is bought at the Ontario Food Terminal here in Toronto, it is used by the chain buyers to pick up a fill-in item. If they need to supplement the trailer loads, they buy direct from shipping points within Ontario and some shipping points within the United States. They do not do their major buying on that market.

If the discount is to stay in the profit centre, and the evidence given at the inquiry was that it did, then the full purchase price, not the discount price, is passed on to the retail store, and their markup is based on 100 per cent of the purchase price, not the 98 per cent, or in some cases as low as 70 per cent. It is a case of the left hand not knowing what the right hand does.

I very seriously question the claim that the discount is passed to the consumer. On the other hand, with an independent, in which case the buyer and the retail manager are often the same person, the retail manager knows the real cost and prices his retail accordingly. The point is that the isolation of a discount in the profit centre, or Volume One as the most recent profit centre is called, separates the discount from the two functions; that is, of the buying and the selling function.

My colleague has spoken of the ability of the government to hide behind the federal skirts. They do that when it suits them. When it comes to giving away a Canadian firm like White Farm Equipment, they are very indignant that the rules of the Foreign Investment Review Agency are applied. They use the argument to suit themselves. The argument is put forward that the cost of enforcement would be prohibitive. My years of selling to chain stores tell me that the chains abhor being charged with any offence, such as false advertising, or offences under the Farm Products Grades and Sales Act.

Produce put under detention in their stores



by the sales act brings a severe reprimand if it was the supplier's fault. I remember on one occasion receiving a letter of blame about strawberries. It is pretty hard to guarantee the quality of strawberries very long, but the letter said, "If this ever happens again, you will no longer be a supplier." I can tell the members that is a powerful incentive to see that it does not happen again. The point is they absolutely hate such adverse publicity.

The good operators, and that includes most of them, would voluntarily obey a reasonable act, and this act is certainly reasonable. It does not in any way impinge upon discounts that are due to lower costs in the marketing system, and there are generous exceptions to take care of special circumstances.

In the debate of June 5, 1980, the point was made several times to wait until after the report of the royal commission was issued, as much of a whitewash as that was. That term was used by many of the critics. The inquiry did recommend that a system of dealing with discount problems be established. My colleague's bill does that in a most reasonable way.

We recognize that this government is not about to put into force an opposition bill. In fact, they blocked such a bill in 1980. Passage of this bill, leaving them the option of bringing in their own bill—and I sense that the members have some sympathy for it—and proclaiming it into law on their own terms would, at the very least, be a signal to both buyers and sellers that the government does not give its blessing to a practice that is illegal in other jurisdictions.

I find it ironic that in a province where we have such enlightened legislation as the Farm Products Marketing Act, the government refuses to follow through on a measure that is already law in the greatest bastion of free enterprise in the world.

A month ago, I attended a meeting here in Toronto, at the St. Lawrence Centre. One of the people on the panel was John Lindley, vice-president of Campbell Soups, who was a Canadian, who did business here in Canada, and moved to the United States as the vice-president of that company. When I had my turn at the microphone, I asked him what he thought of the Robinson-Patman Act and, in ringing terms, he let everybody know that it did the job it was designed to do and that they did not have the problems in the United States we have here.

5:30 p.m.

**Mr. Swart:** Mr. Speaker, I am pleased to take

part in the debate on this bill and I, too, feel there is value in passing this bill.

Certainly if we look at what is happening between the consumers and the farmers, we have to have some concern about the middle men. I have here the report of Agriculture Canada, dated December 8, 1981, which says that this year there will be a 10 per cent hike in food costs and farm profits will be 15 per cent less. Surely that must give us all a wide measure of concern.

Certainly the plight of the farmers and the consumers is worsening as a result of a variety of things, particularly the high interest rates that are the policy of the Liberal federal government. But it is also due to the system we have between the agricultural producers and the consumers. The big retailers force discounts, and they are getting bigger and bigger and fewer and fewer. They force discounts, and in a variety of ways they eliminate competition.

I think both consumers and farmers recognize the danger, particularly since this amalgamation of buying called Volume One took place between Dominion and Steinberg and, as has already been mentioned, a combination exists between Loblaws and Provigo for the purchasing of food. Of course, farmers recognized the dangers of this long ago, and it is largely because of this concentration that they had to go to marketing boards, something that we in this party have supported for many years and many decades.

I have before me the report of the Ontario Federation of Agriculture, dated October 27, 1980, which includes a submission it made to the royal commission that was sitting on the matter of discounts. I will not take time to read it, but it states very pointedly what has happened in the whole area of milk with regard to the discount situation, the big supermarkets being able to force discounts of up to 30 per cent and eliminating the small distributors and, for that matter, the small dairies.

I think we are all aware of what has happened in the dairy industry in the past 12 years. The number of dairies processing milk has gone down from something like 165 to 35 at the present time. I have here a brief from the Independent Milk Distributors Association that documents this, and it should be compulsory reading for those over on that side who now are saying that competition is not necessary. It should be compulsory reading for those members over there with regard to the damage it is

doing to small business people, and even middle-sized business people, in this province.

Very comprehensive studies have been done in the United States on what happens, whether it is the retailers and supermarkets or the processors that amalgamate until there are only a few in the field. There was a comprehensive study done back in 1966, the most comprehensive one that has ever been done in the United States by the National Commission on Food Marketing. It concluded:

"In most industries, gross profit margins of larger firms have grown more rapidly than those of smaller firms. Profit rates of larger firms are considerably higher than those of other industry members and the industry average. The larger firms exhibit a greater stability and rate of profit than do firms in the other asset size groups, and these trends seem to be most pronounced in areas of higher concentration and increasing product differentiation."

It goes on to say, "When a few large firms dominate a field, they frequently forebear from competing actively by price. Competition by advertising, sales promotion and other selling efforts almost always increase, and the market power inescapably at the disposal of such firms may be used to impose onerous terms upon suppliers or customers."

This report goes on to point out that the three independent methodological approaches that were done by experts in the US Department of Agriculture estimated that consumers in the United States were paying between \$12 billion and \$14 billion a year too much because of this concentration or, conversely, that US producers were losing that much.

The concentration is higher here than it is in the United States, both in the retail market and in processing. Using the same criteria, our research estimates that people here are paying \$400 million a year too much or, conversely, that the farmers are getting \$400 million a year too little because of the concentration of power, primarily in the supermarkets. There is a real danger in the economic power of giant corporations and, because food is so essential to us, that is where it is hurting us the most.

I want to comment on the statement made by the member for Durham-York (Mr. Stevenson). He said he called for better competition laws. Coming from a member of the government party here, that is the height of hypocrisy. I have a 15-page document here by the then Minister of Consumer and Commercial Relations, now the Minister of Industry and Trade (Mr. Walker).

He spoke at the conference of ministers of consumer and commercial relations on September 3, 1981, only a little more than six months ago.

I wish I had the time to read the whole 15-page document. Nowhere in that document did he mention the need for competition. The subject of his speech was the economic system we have at present, and he used the whole document to attack the proposals of the federal government to improve the anti-combines act and competition legislation at the federal level. The whole document is used for that.

He said, "A threshold level in the 70 to 80 per cent range under this proposed federal legislation would automatically designate many of Canada's top corporations." Then he went on to say there was no real danger in that.

"We also object to the presupposition that, just because a company is dominant in its industry, its market power is therefore detrimental to the consumer's interest. Large and dominant companies are increasingly sensitive to the dangers of antagonizing not only government but also their suppliers and consumers . . ."

He said, "Market share, as already noted, is not a logical or fair test."

Then he ended up by saying, "For these and other reasons, Ontario must oppose the proposed competition policy of the federal government."

That was said by a member of the party that rules this province which just said we need better competition legislation. What a farce those comments are.

I want to say to my colleagues on the right that I could be a little more convinced of their seriousness in wanting competition if the federal government were doing more about this. In all the years it has been in power, it has never enacted that proposed legislation to strengthen the competition law.

I have a document by Irving Brecher, who is the chairman of the department of economics at McGill University. He says, "Relating statutory results to professed aim and potential benefit, I rank the story of competition among the saddest experiences in Canadian public policy."

The Liberals in Ottawa are backing down on this competition policy. I want to say to the members on my right that I would be a bit more convinced of their sincerity about wanting competition if they had opposed, as I did, the statement of the then Minister of Consumer and



Commercial Relations when he said: "Competition is not important."

**Hon. Mr. Norton:** Speak up.

**Mr. MacDonald:** You are not hearing; so he needs to speak up.

**Mr. Swart:** There are none so deaf as those who will not hear.

I would think there was more sincerity in the remarks of the members to my right if they had used the time in estimates to highlight the trends towards amalgamation and the statements of this government that competition is no longer necessary in our society.

5:40 p.m.

I would be more convinced of the members' sincerity if the federal Liberals had not neglected to strengthen the competition law—

**Mr. Speaker:** The member's time has expired.

**Mr. Swart:** —and I would be more convinced of the Liberals' sincerity if they did not accept political contributions from giant corporations.

**Mr. Speaker:** The member for Essex South.

**Mr. Mancini:** Mr. Speaker, I would like to—

**Mr. Watson:** On a point of order, Mr. Speaker: I thought there was a rotation.

**Mr. Speaker:** I am sorry; I did not see the member for Chatham-Kent.

**Mr. Mancini:** He should have risen more quickly. We lost our turn recently because we didn't stand up quickly enough.

**Mr. Speaker:** The member for Chatham-Kent has the floor in the rotation of speakers.

**Mr. Mancini:** Mr. Speaker, if the member was not up at the proper time, why am I losing my turn to be able to speak? Is it not true that you told me only a couple of weeks ago that I had lost my turn because you had seen the other member rise first? Is that not correct, sir?

**Mr. Speaker:** Not during a debate, with all respect.

**Mr. Kerrio:** You're picking on those little guys again.

**Mr. Speaker:** I am not.

**Mr. Mancini:** What do you have against the short world, Mr. Speaker?

**Mr. Speaker:** That is an unfair comment.

**Mr. Watson:** Mr. Speaker, I congratulate the efforts of the member for Essex South to take up as much time as he can because he obviously feels he is not going to get his turn.

I congratulate the member for Huron-Middlesex for his persistent determination to

see that this bill is debated every two years. In fact, I think he has hardly changed since it first came here and we debated it in June 1980. I wish to make a few comments on the bill as it is proposed this time, although perhaps it is going to be like Halley's comet and continue to make its regular appearances before it finally fades away.

In seriousness, though, the member opposite has expressed concern over the growing concentration of buying power in the food industry and sincerely believes this bill can address the problem. I do not believe the bill can address the problem, but I do believe that there is a problem.

Indeed, if the member opposite wanted to be more effective in dealing with it, perhaps he should have phrased a resolution this afternoon that could have provided for provisions under the federal government's Combines Investigations Act. I think the arguments we have heard from all sides would have been exactly the same.

As the member opposite knows, this government is concerned by the possible negative effects that joint purchasing companies will have, such as the Dominion and Steinberg action in combining to create Volume One.

The Minister of Consumer and Commercial Relations (Mr. Elgie) has already outlined his own concerns, that consumers may suffer in the long run and that small retailers may be forced to pay higher prices to suppliers who try to make up for lost revenues.

Representatives of nongovernment groups, such as the Consumers' Association of Canada, the Ontario Federation of Agriculture and the Canadian Federation of Retail Stores, have all criticized the creation of Volume One.

This government has specifically requested the Department of Consumer and Corporate Affairs in Ottawa to look into the effects of the Steinberg-Dominion action as it relates to the Combines Investigation Act.

I would sincerely suggest that if the member for Huron-Middlesex were as concerned as he would have us believe he is, he would lobby his friends in Ottawa to take further action.

According to an article in Tuesday's Farm and Country, the federal Deputy Minister of Consumer and Corporate Affairs admitted that buying groups such as Volume One underline the need for defined rules of the road for the marketplace where needed.

If one turns to a Globe and Mail article from a few weeks ago, even the president of Steinberg

is opposed to the power that buying groups have.

To summarize the argument at this point, the creation of Volume One does not please us on this side, it does not please the members opposite and it does not please the consumers or the producers or even some of the buyers.

Both opposition parties in Ottawa have demanded new, tougher competition laws, and even the federal bureaucracy admits the need for better competition laws.

In the debate two years ago the member for Huron-Middlesex said, and he repeated it this afternoon, that the applicable sections of the federal act were unworkable. Perhaps he has given up expecting action from Ottawa. He knows quite well, and this bill reflects the findings of the Royal Commission of Inquiry into Discounting and Allowances in the Food Industry in Ontario, that the Leach commission found that neither Ontario farmers nor farm prices are adversely affected by the rebate system, nor are consumers or consumer prices.

**Mr. Speaker:** One minute.

**Mr. Watson:** In other words, the wording the member has put into the system gives the responsibility to the Farm Products Marketing Board. I would suggest that he would create a tremendous bureaucracy; in fact, the bill would create a mini combines investigation branch in this province, one that would be constitutionally limited even if it could be legally constituted in the first place.

The real issue here this afternoon is not rebating; it is the concentration of buying power. This bill does little to address that issue. Instead, we should be supporting the call for stronger federal legislation, which would ensure that competition can continue so that everyone from producer to consumer can benefit.

Thank you, Mr. Speaker.

**Mr. Mancini:** Mr. Speaker, how much time do I have?

**Mr. Speaker:** About three and a half minutes.

**Mr. Watson:** On a point of order, Mr. Speaker: I thought speakers had 10 minutes.

**Mr. Speaker:** No.

Interjections.

**Mr. Speaker:** Order.

**Mr. Watson:** Mr. Speaker, I did take the trouble of going to the Speaker's chair earlier to

figure out times, and I was informed that speakers had 10 minutes until the time ran out.

**Mr. Speaker:** But you had finished your speech.

**Mr. Watson:** I was given one minute's notice, Mr. Speaker.

**Mr. Speaker:** You had thanked me and you had taken your place.

**Mr. Watson:** Mr. Speaker, with all due respect, you gave me one minute's notice.

**Mr. Speaker:** Order. The member for Essex South has a few brief remarks.

**Mr. Mancini:** Thank you, Mr. Speaker. I rise to support my colleague's Bill 47, which will create more competition in the marketplace and ultimately will mean lower prices to consumers and better prices to farmers because the middlemen and the giant corporate firms will not be able to gouge either one.

I have some specific examples that have been brought to my attention by people in my riding who feel that more competition is necessary in the food processing chain, by which I mean from the farmer all the way to the supermarket shelf. There is a growing feeling out there that the independent stores and the mom-and-pop stores are the ones that are suffering the worst at present because of the practices of the large corporate chain stores.

I know this because I have had them come to visit me in my constituency office and bring me examples of what is going on out there in the marketplace. For example, some of the supermarket chain stores are able to sell milk for anywhere from \$1.49 to \$1.89 for a three-quart bag. These independent stores and the mom-and-pop stores are unable to buy that milk for anything less than \$2.50. How is it that the dairies are able to make this milk available to the chain stores at such a low price and not to the independents and the mom-and-pop stores?

**Mr. Speaker:** The member's time has expired.

**Mr. Mancini:** We have the same type of unfair practice in the pop industry. Further, there is another—

5:50 p.m.

**Mr. Speaker:** Order. The member's time has expired.

**Mr. Mancini:** Just one sentence.

**Mr. Speaker:** The standing orders are quite clear. The vote must be taken.

**Mr. Mancini:** I am sorry I had so little time. There is quite a lot to say on this issue.



## ONTARIO SAFE DRINKING WATER ACT

The following members having objected by rising, a vote was not taken on Bill 45:

Ashe, Barlow, Bernier, Cousens, Dean, Eaton, Eves, Fish, Gregory, Harris, Henderson, Johnson, J. M., Kennedy, Kolyn, Leluk, McCaffrey, McCague, McLean, Norton, Piché, Ramsay, Robinson, Scrivener, Sheppard, Sterling, Stevenson, K. R., Taylor, G. W., Treleaven, Walker, Watson, Wells, Williams—32.

## FARM PRODUCTS MARKETING AMENDMENT ACT

The following members having objected by rising, a vote was not taken on Bill 47:

Ashe, Barlow, Bernier, Cousens, Eaton, Eves, Fish, Gregory, Henderson, Hodgson, Kennedy, Kolyn, Lane, Leluk, McCaffrey, McCague, Norton, Piché, Ramsay, Robinson, Runciman, Scrivener, Sheppard, Snow, Sterling, Taylor, G. W., Treleaven, Walker, Watson, Wells, Williams—31.

## BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, I wish to indicate the order of business for the rest of this week and next.

Tonight, we will be considering the 1980 report of the standing committee on procedural affairs on the proposed new system of committees, copies of which report have been provided to all members by the Clerk.

Tomorrow, we will conclude second reading and committee of the whole on Bill 41, followed by committee of the whole on Bill 6 and second reading of the following bills from the Ministry of Municipal Affairs and Housing: Bills 9, 12, 13, 15, 28, 14 and 11.

On Monday, May 3, we will consider Bill 38 for second reading.

On Tuesday, May 4, we will continue with Bill 38 and, if time permits, resume the municipal bills that were not completed on Friday.

**Mr. Stokes:** Why don't you block some of those too?

**Hon. Mr. Wells:** Why does the member not show a little respect for the rules? The rules of this House provide for the procedure that was followed in this House today. There is no need to stand there and act as if somebody has done something illegal.

**Mr. Stokes:** I thought you believed in democ-

racy. This is the private members' hour. Why don't you let it come to a vote and then vote against it rather than block it?

**Mr. Speaker:** Order.

**Hon. Mr. Wells:** The member who has just spoken should know better and should have a better respect for the rules of this House.

**Mr. Stokes:** I know the rules better than you do.

**Hon. Mr. Wells:** The rules of this House have been followed here this afternoon. No rule of this House has been violated; so the member should not complain about it.

**Mr. Stokes:** Why don't you let members speak for themselves? This is private members' hour. You don't even know what the concept is all about.

**Hon. Mr. Wells:** The rules of this House have been followed.

**Mr. Stokes:** You don't know what parliamentary democracy is all about. Anybody who is a Minister of Intergovernmental Affairs should know the process. The fact is—

**Mr. Speaker:** Order.

**Hon. Mr. Wells:** With respect, I know more about parliamentary government than my friend does.

**Mr. Riddell:** Yes, but you are fragmenting it. You are fragmenting the democratic process—

**Mr. Stokes:** You are making a mockery of parliamentary democracy.

**Mr. Riddell:** —and you will be held accountable one of these times.

**Mr. Speaker:** Could we get on with the schedule, please?

**Hon. Mr. Wells:** The people who are fragmenting it are the members over there. I am outlining the order of business.

On Thursday, May 6, we will consider the ballot items in the names of the member for Etobicoke (Mr. Philip) and the member for Cambridge (Mr. Barlow). On Thursday evening, we will debate the motion for adoption of the recommendations in the final report of the select committee on pensions.

On Friday, May 7, we will continue with the municipal bills that were left over from Tuesday.

The House recessed at 5:58 p.m.

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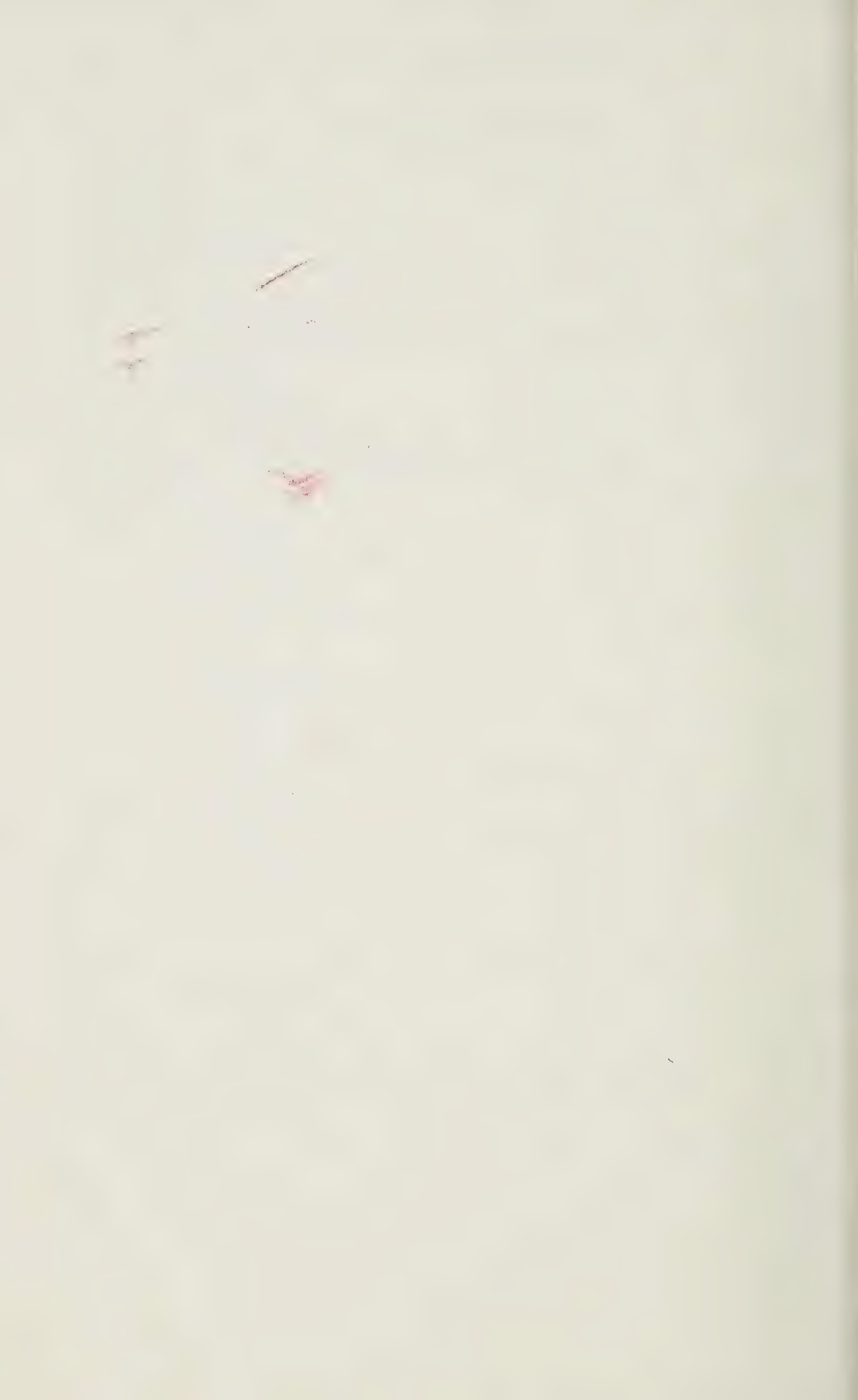


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Bryden, M. H. (Beaches-Woodbine NDP)  
Charlton, B. A. (Hamilton Mountain NDP)  
Copp, S. M. (Hamilton Centre L)  
Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)  
Di Santo, O. (Downsview NDP)  
Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)  
Eakins, J. F. (Victoria-Haliburton L)  
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Peterson, D. R. (London Centre L)  
Piché, R. L. (Cochrane North PC)  
Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)  
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Roy, A. J. (Ottawa East L)  
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Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)  
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Stokes, J. E. (Lake Nipigon NDP)  
Swart, M. L. (Welland-Thorold NDP)  
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Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)  
Wildman, B. (Algoma NDP)  
Wrye, W. M. (Windsor-Sandwich L)









No. 37

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Thursday, April 29, 1982  
Evening Sitting

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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# LEGISLATURE OF ONTARIO

Thursday, April 29, 1982

The House resumed at 8 p.m.

## STANDING COMMITTEE ON PROCEDURAL AFFAIRS

Consideration of the report of the standing committee on procedural affairs on proposals for a new committee system, 1980.

**Hon. Mr. Eaton:** I do not see a quorum, Mr. Speaker.

Mr. Speaker ordered the bells to be rung.

8:08 p.m.

**Mr. Speaker:** I see a quorum.

**Mr. Kerr:** Mr. Speaker, there seems to be some confusion about who was to start this discussion this evening. As the members know, we are to discuss the standing procedural affairs committee proposal for a new committee system that was issued by the previous committee. I would like to start out by referring to some of the proposals contained in the report.

The aim of the committee report is set out in the first page, under the heading "Preface." It says that "this report is premised on a belief not found in the Morrow reports: the realization that we are rapidly reaching the limits to which committee work can expand. In short, our aim is improving the quality of committee work, not increasing its quantity."

On page 4 of the report, the question is asked, "What are the purposes of committees?" It goes through certain questions in respect to Westminster-style parliamentary democracies, saying that Legislatures essentially serve five broad purposes:

"1. To represent the people. Collectively members serve the public interest, while individually they represent their constituents in the Legislature.

"2. To recognize the government's rightful duty to govern by sustaining it in office and by authorizing its program.

"3. To provide the opposition with the opportunity of presenting itself as an alternative government.

"4. To subject government to public scrutiny with respect to its policies and conduct of administration.

"5. To serve as a forum for public debate, both among the parties, and between the parties and the wider public."

In the context of this particular chapter, headed "What are the purposes of committees?" it says the Legislature performs specific tasks: "passing legislation; scrutinizing the activities of the executive; maintaining accountability for public funds"—something I have underlined—"and redressing grievances."

This report contains about 14 recommendations, and on page 7 it refers to a new proposed committee system. I have reviewed it. It refers to the size of a committee; it deals with substitution; it deals with estimates, policy review and things of that nature. It is a complete report, and I commend the committee of the day for the work and the recommendations that are contained in the report.

I have no real disagreement with most of the recommendations. I will quickly run through some of those with which I possibly would have some disagreement.

I am looking at recommendation 11, for example, on page 21, that "each private member should be provided with a personal research assistant." At first blush, I cannot agree with this recommendation. I realize that the details of the debate which may have taken place in arriving at this recommendation are not contained in this report, and there is no question that from time to time there are requests from the various caucuses to increase the number of research assistants. The question is whether a one-to-one basis is reasonable in view of the responsibilities and duties of each individual member.

I would think opposition members would use a research assistant more than a back-bencher on the government side. The question is whether one research assistant for four members or three members might be more appropriate than this recommendation.

I agree with the principle that there should be adequate research assistant staff; that a private member should have at his or her behest, without a great deal of hassle, someone who can within a reasonable time provide him with the necessary information about the activities and operations of this government, particularly if that person is involved in a debate, in the drafting of resolutions or legislation or in certain types of committee work. But, to be very frank,



I have to be convinced more than I am with the information I have on hand at present that each private member should have his or her own research assistant.

I seem to be going backwards here. Regarding recommendation 2, there was a great deal of discussion of this recommendation in our present committee a week or so ago, when we had the honour of having the three House leaders present to discuss this report. Recommendation 2 says that "no substitution should be permitted for committees conducting special studies or for committees considering legislation."

This recommendation seems a little stringent, a little restrictive. There are circumstances where substitution would be important, but certainly members of that committee should not just be changing places with other members who happen to want to be on that committee or who want to get off another committee. It may be just a minor inconvenience, and I think the same members should stay on a committee conducting special studies or considering legislation, particularly if that committee sits from session to session.

I do not believe in rotation or substitution for substitution's sake. Members should remember that old phrase from a few years ago, "Conscription if necessary, but not necessarily conscription."

In short, if a member is not happy on a particular committee, if he does not offer anything to its deliberations or if his attendance is poor, it would be wise after a certain period of time to substitute someone else. That indicates there is a good reason for it. I know some members are not always happy on a particular committee; they become bored and their work is affected. But I do not like the idea of committee members being substituted on a 24-hour notice or something of that kind.

I appreciate the recommendation that there has to be some continuity if the committee work is to be effective. It may be difficult to make a recommendation like that really work. The report refers to special studies or to committees considering legislation.

We have a system, and I am sure other caucuses have the same type of system, where we are asked our preferences at the beginning of a session and we list them in order of priority. The whip attempts to satisfy us as much as possible.

I object to that possibly from the point of view that a committee such as ours is a continuing committee and we always have work that over-

laps, particularly if we travel. When we return, we want to consider what we have learned in some foreign jurisdiction. In those situations, it is rather disconcerting at the start of a new session to have three or four new members. I am not saying that those members are not very capable and able to carry out their duties, but at least until the work and the deliberations of that committee on a particular subject are finished, there should be as much consistency as possible.

Recommendation 4 refers to our old private bills committee. Having served on the private bills committee many times in the past, I agree with that recommendation. It worked very effectively. It was always a popular committee, because the work was challenging. We had an opportunity to hear submissions from citizens from all over the province dealing with legislation and certain types of requests. At the time it was in existence, it was always a popular committee and a very effective one.

I am not necessarily happy with the suggested size. There is always trouble in getting a quorum when there are not enough members, but that is not something that is written in stone as far as the recommendations are concerned.

There is nothing more effective than having a committee that deals with a specific chore such as private bills rather than having policy committees share those bills if they happen to relate to their particular policy field. Recommendation 4 is a good one and I would support it.

My real interest in this report is recommendation 5 on page 15 of the report. The present standing committee on procedural affairs has been reconsidering the question and the intent of that recommendation.

**8:20 p.m.**

There have been a number of comments, both in the House and in committee, about estimates and what we can do to improve the procedure. Critics have said that it takes up too much time; that it is really dealing with policy rather than dollars and cents and that we rarely discuss the figures that are set out in the particular minister's estimates book; that there is little or no attention from the media; that the long opening statements by the minister and the two opposition critics sometimes take two or three days, mostly in repetition of something that may have been said some months previously.

**Mr. Nixon:** A couple of ministers make 70-page speeches.

**Mr. Kerr:** The opposition does all right too. They try to get even with them sometimes.

**Mr. Nixon:** That is another matter. It is because we have too many researchers writing all those speeches.

**Mr. Kerr:** That is the point I was trying to make.

The examination of the estimates for the most part takes place after the fact. The budget may be brought down in April or May and estimates of the ministries are discussed, after the fact, in November and early December, when most of the money we are supposed to be questioning has already been spent.

I have heard it said, and I certainly find it so when I attend an estimates committee, that most members of the government party are bored; they do not ask too many questions; they are there perhaps to vote on a particular item. The opposition, quite understandably, monopolizes the time in estimates committees. Usually they are talking about a sewage disposal plant in Essex county, a bridge over the Elora Gorge or a new nursing home in eastern Ontario. These, of course, are legitimate questions, but I do not think they are appropriate when we are dealing with a minister's estimates. There has to be some change.

As to the report itself, on page 13 there is a reference to a recent Australian committee report, which concluded as follows: "There are two lessons to be learned from British and Canadian experience. The function of financial scrutiny should be entrusted to specialist committees, not added to the function of other committees. Financial committees, if they are to effectively scrutinize public expenditure, should be required to avoid consideration of policy."

During consideration of our own recommendation 5, which proposes a similar arrangement, members of the committee indicated that there has to be some tradeoff. They have to have an opportunity to question ministers on policy and about certain matters within their own constituency or area of interest. We agree with that. We suggest, as does the second part of this recommendation, that committees be set up to deal with the annual reports of the various ministries of particular policy fields, to ask questions about what they are doing and why, and to offer constructive criticism.

The opposition, and the House generally, should always have that opportunity. This report deals with both aspects and accepts the fact that although the members may wish somehow to

change the present setup to streamline the inadequacies that exist under our present estimates scrutiny, they certainly want the opportunity to question the ministers on policy.

We talked about possible names. During our own deliberations, which were an extension of the recommendation in the report, we talked about a standing committee on economic policy, or on expenditure evaluation, or on finance or financial affairs, or on public expenditure. The name is not important. The important thing is that it deal with the estimates, with the budget and mainly with money.

The terms of reference are similar as to the indication in the report that the committee would automatically receive all estimates. The committee could select estimates for detailed scrutiny and review three or four particular ministries in a year. It could emphasize and concentrate on those ministries from a time point of view and possibly be rather short and not take up much time with certain other ministries.

In addition, we are suggesting the committee would have the power to review the budget and other budgetary papers, as well as documents with financial or expenditure implications. We suggest that we review documents or such bodies as the Ontario Economic Council. The committee should have the power to send for persons, papers and things; it could hear witnesses and could conduct public hearings. It would have power to hire whatever staff might be necessary.

We are suggesting, and I think it is implicit in this report, that this committee is to make recommendations with respect to estimates. These are only recommendations. We realize the Treasurer (Mr. F. S. Miller) and the government have the final say, that their policies and strategies as far as a budget is concerned are theirs; they have the power to present that to the Legislature. We are hoping that in our suggested role we will help the Treasurer and the government.

We hear about the Treasurer discussing a new budget with the business community, with the farm community, with labour and with organizations such as those. I think the members of this Legislature, either by way of a committee or otherwise, should also have that opportunity to have the ear of the Treasurer before the budget is introduced in the House.

The size of the committee could easily be discussed when we agree with the principle. As the previous report said, it is important there be



substitution only where absolutely necessary. In other words, it would be limited substitution rather than the present practice.

To those people who might object to this proposal, who may feel that what we are suggesting will not necessarily streamline the procedure, we hope through this proposal that, by having the estimates appear before the committee as soon as the session starts in the spring, even before the budget—it turns out now to be a couple of months before the budget—those estimates could be discussed by that committee, and the main estimates could be completed by the end of June.

In the fall, the policy committee could be set up dealing with, among other things, the annual reports of the various ministries. If we did not finish all the estimates by the time we recessed in June, those ministries we felt were a little less important for that particular year could be dealt with in the fall. The main improvement we are trying to make is not to have a half a dozen or 10 ministries left for estimates on into November and December.

**8:30 p.m.**

We could have an opposition day or a series of opposition days that could deal with policy, if that is the type of thing that would be considered a reasonable tradeoff for changing the committee. We are talking about allowing some 15 days when the opposition could raise subjects for debate. That could be decided eventually by the House leaders. The policy field committee would, as I mentioned, review the annual reports and could initiate special studies with respect to policy administration.

I would like to refer, in closing, to some of the remarks that were made in our recent committee hearing. The previous chairman, the member for Oshawa (Mr. Breagh), who has dealt with this matter now for a long time, is hoping we are going to make some decision this spring, or certainly this year one way or another. He says, on page 18 of the report of the committee of Thursday, April 15: "My second request would be to see if we could gather some consensus on things we might try without changing everything, without changing all the rules and passing new standing orders. There are lots of things proposed in there," that is, in the report, "which could happen tomorrow if we decided we wanted to do that."

For the most part, I think that reflects the feeling of the majority of the members of the committee. That is my proposition. I would like to see House leaders in this committee for the

remainder of the session to do some little trials, to designate the ones members would like to try on for size without changing all the standing orders, without changing all the estimates procedures, without doing all those radical things. Let us just try it on for size and see if we can get some experience in it.

My concern is that we have dealt with this matter for five years now, and before that the Camp commission and the Morrow select committee dealt with it, but not a whole lot has changed. So I would like members to try to deal with these proposals. Let some debate be scheduled, let some pilot projects be designated, and try them out in the fall. By the end of the fall session, either we should say we are going to change the estimates procedure and the way the committees are set up, or we should forget about it and go back to the way we have always done things, because that is the way we have always done things.

In conclusion, dealing with recommendation 5, I suggest we follow these remarks, and put our heads together with the House committee or set up a committee to implement the recommendations, and I feel that there is bound to be an improvement.

**Mr. Mancini:** Mr. Speaker, I would like to make some comments concerning the report of the standing procedural affairs committee on proposals for a new committee system. You may be aware, Mr. Speaker, that this report is nearly two years old, which will show that the members want to move very cautiously before they make any major changes to the committee system.

I should mention at this time that I see, under the press gallery, some very important people who have worked with us over the past two or three years: our researcher, John Eichmanis, and the former clerk of our committee, Graham White. They were both quite helpful over the last few years in assisting the members of the procedural affairs committee. Now, of course, as members know, our clerk is Smirle Forsyth.

The committee has changed somewhat since we wrote this report. When we were working on this report we had a minority government and we had a chairman—

**Mr. Nixon:** Those were the days.

**Mr. Mancini:** Those were the days, Mr. Speaker. We had a chairman from—

**Hon. Mr. Ashe:** That is a point of view.

**Mr. Mancini:** We certainly got better gov-

ernment. We did not buy any new jets and we did not buy any oil companies.

**An hon. member:** That's right.

**Hon. Mr. Ashe:** That's a point of view not substantiated by the facts.

**Mr. Speaker:** Let us get back to the committee report.

**Mr. Mancini:** Mr. Speaker, I was rudely interrupted, as you know and will agree.

At that time an opposition member was the chairman, the member for Oshawa (Mr. Breaugh), who served the committee quite well, and now a government member is the chairman, the member for Burlington South (Mr. Kerr). Anyway, the committee has carried on its work of trying to reform this Legislature, specifically its committees. I will say one thing about the procedural affairs committee: It probably is the most nonpartisan committee of the House. I say that in all sincerity, although on occasion, I have to confess, there are members of the other two parties who become highly partisan.

Why do members of the Legislature want to change the committee structure from the way it is now? I believe there is a deep feeling among all back-bench members—and that includes everybody who is not in the cabinet—that we, as individual members of this Legislature, can and should do more. That goes for the opposition and for the government members. We feel there is a great deal of work that can be done by members who are not in the cabinet, that we represent a significant group of constituents and that we want to speak more forcefully on their behalf. Basically that is what is behind this move by the members of the Legislature, specifically the procedural affairs committee, to make fundamental structural changes in the committee system.

This feeling did not start recently. As far back as 1976, the Morrow committee began its recommendations for changing the committee system with the observation that "expansion of the role and importance of committees is logical and necessary." That also means, Mr. Speaker, that expansion of the roles that individual members play in the governing of this province is logical and necessary. In the introduction to our report, we stated, "In Ontario and elsewhere legislators are increasingly looking to committee reform as a means of fostering more effective legislatures," meaning that we, as individual members, want to become more effective and have more to say in the governing of our province.

I would like to quote directly one other section from the introduction to our 1980 report, on page 2, "...and many committees are chaired by members of opposition parties." It will be truly sad, and the committees of this Legislature will never function to their ultimate capacity, if we do not go back to what we had in the minority government: that is, some committees chaired by opposition members. I think it was absolutely astounding and really very petty that, once minority government ended, all the committee chairmanships were returned to government members.

**Mr. Shymko:** What would you have done? Don't be so sanctimonious.

**Mr. Mancini:** The member for High Park-Swansea asks what we would have done. Members of the standing committee on procedural affairs travelled to the House of Commons in Ottawa and met with our counterpart committee there. The chairman of that committee is an opposition Tory member.

I have the greatest respect and regard for the present chairman of the procedural affairs committee, the member for Burlington South (Mr. Kerr), but I believe that committee should be chaired by an opposition member; as should the select committee on the Ombudsman, who is a civil servant, appointed to protect rights and liberties and to attend to the grievances of the citizens and groups in the province. The rest are negotiable.

**Mr. MacDonald:** What about public accounts? It has an opposition chairman.

**Mr. Mancini:** Public accounts is already chaired by an opposition member. Why bring that up?

**Mr. Nixon:** Everybody knows that.

**Mr. Ruston:** That's right. You have been around here a long time, Donald.

**Mr. Mancini:** It was an interesting comment; irrelevant but interesting.

**Mr. Shymko:** Keep going, Remo, you're doing fine.

**Mr. Gillies:** Silence is best.

**Mr. Charlton:** He's trying to grow his moustache.

**Mr. Mancini:** Yes, I am going to grow my moustache again. After I shaved it off I walked over to Sutton Place to go up to my apartment, and the doorman wouldn't let me in because he didn't recognize me. I cannot have that happening.

Recommendation 2 of the committee's report, which appears on page 9, is, "No substitution



should be permitted for committees conducting special studies or for committees considering legislation." I concur entirely with that recommendation as I have had the opportunity to serve on such committees. It serves no logical purpose to have as a substitute someone without knowledge of what has transpired and with no opportunity to read the Hansard of past sittings.

With regard to committees considering legislation, along with other members, I went through the experience of substituting on the Landlord and Tenant Act. We found ourselves at a disadvantage because parts of the bill had already been amended before we were brought in and we had no knowledge of the reasons for the amendments which were made.

Recommendation 3, "A separate committee should be struck for each public bill," is, I think, a fairly solid recommendation. Members can judge for themselves why this is necessary. It would certainly be a vehicle for involving more members of the House in discussions of public bills, on diverse subjects.

Recommendation 4 concerns the size of the committee. The committee recommended a five or six-member committee. In my view, that is not quite large enough. Certainly, the committee system today, which I believe allows 16 members—far too large a number—is much too unwieldy. It would appear that a smaller committee, not quite as small as the procedural affairs committee recommended but a smaller committee than the present one, would more than suffice.

I have a great deal of difficulty with recommendation 5. I feel that I cannot support this recommendation at all. For the information of the members, this recommendation states that a finance and economic affairs committee should be established to which all estimates would be referred. The committee would consider only the financial aspects of the estimates, not their policy component.

In addition, the committee would have broad terms of reference to review Ontario's fiscal and economic policies and to study budget papers, financial documents, tax legislation and any related matters.

It appears that the procedural affairs committee wishes the House to adopt this particular recommendation in lieu of the estimates debates. It would more or less eliminate the estimates debates. I would in no way support, at the present time, the elimination of the estimates debates.

Sure, there are many complaints about the

estimates. Yes, it is said, and it is true, that we really do not discuss the expenditures of the government. I say to members that we are not a congress, we participate in a parliamentary form of democracy. We do not have the right to vote or not to vote expenditures which the government wishes to undertake. I refuse to have my right, which is the ability to speak on behalf of my constituents, taken away.

Mr. Speaker, having sat in that chair, you know how limited we are in being able to speak for our constituents because of time constraints, because of rotation, because of the size of this assembly and because of the amount of business we have to conduct. As a private member, I cannot stand in this House and say, yes, I am going to give up my rights to some six or eight elite members of this House, so they can take it upon themselves to form this finance and economic affairs committee, have hearings, bring in the Treasurer on a regular basis and request such documents as may seem fair at the time. If I am asked to give up all of my rights so that six or eight other members can become as elite as the cabinet has become in our system, I say no to that, absolutely no.

I want the right to discuss the estimates of any particular ministry. I want to be able to look into the estimates of the Ministry of the Environment and question the minister and his senior, highly paid staff as to why certain projects are not proceeding in my riding and as to why certain other things are not being done. And similarly for all the ministries across the board.

I say to you, Mr. Speaker, and to the members of the procedural affairs committee, if we had a finance committee that would take the whole House into account, where we would go into committee of the whole and would actually vote to spend or not to spend money, that would be something different. But for us to set up another so-called elite committee and by so doing, have more of my rights eroded, I say no to that, Mr. Speaker.

**Mr. McLean:** None of your rights are eroded now.

**Mr. Mancini:** The member for Simcoe East says that we have no rights already. If we in the opposition have no rights, that is a black mark on the government.

**The Deputy Speaker:** Actually, to correct the record, I think he said no "rights are eroded."  
8:50 p.m.

**Mr. Rotenberg:** You have more rights than the Liberals in the Saskatchewan Legislature.

**Mr. Mancini:** I have no comeback for that. He is right.

On recommendation 7, the standing committee on procedural affairs recommends, "A government agency committee should be established to review government agencies..." I thought that was what the procedural affairs committee did itself. We now have the authority without any intervention from outside sources, meaning the cabinet and the government whip who carries the big stick over there, to call before us any agency or commission we see fit. As far as I am concerned, that part of the procedural affairs committee's work is proceeding along a level which I consider to be very satisfactory.

We have reviewed many agencies. We have made many recommendations. Many of the government ministers have been helpful in accepting some of the recommendations and have been courteous enough to explain to us why they could not accept others. There are certain ministers over there who do not see fit to do either one of those two things, but we cannot expect 100 per cent co-operation.

I would like to move on to page 21, recommendation 11 from the committee, "Each private member should be provided with a personal research assistant."

I am not against increasing the research staff that works under the auspices of the Legislative Library at the present time. As far as I am concerned, the budget which it proposed to the Board of Internal Economy should have been approved and the extra moneys they requested should have been approved so they could have hired more staff to serve the members of this assembly.

I prefer to have a pool of nonpartisan talent I can rely on, people who are expert in the legal field, in political science, the environment and many of the other important areas. I prefer to have a pool of nonpartisan talent available to me so that, when I have a problem I need researched or when I need an in-depth study on certain government policies, I can go to the chief of staff in the library and she can hand the work out to the proper person. Then I know an expert in that field will be looking at it.

For members of this assembly to suggest that, if we all were given one researcher, that researcher could do the same amount of work in different areas as a pool of talented people could do makes no sense.

Surveys have been taken in the United States and it has been proven that having individual

researchers attached to individual legislators does not work. First, there is great difficulty deciding upon the salary of the individual person. One must decide whether a legal person is required. One must decide whether one would be willing within one's own group to share one's individual researcher and that in itself would cause problems because some members are busier than others.

If the government wishes to be of assistance to the individual members of this House and wishes to provide them the opportunity to serve their constituents properly, then it should increase the pool at the library and forget about recommendation 11, which says each private member should have a researcher.

In conclusion, I would like to say that we have a long way to go in this Legislature as far as improving the role of the individual member is concerned. As I said at the beginning of my comments, I believe that is the driving force behind this report of the procedural affairs committee. Individual members want to be more constructive, they want to do more and to better represent their constituents.

As time goes by, I think the procedural affairs committee will be able to look at other specific subject areas and make recommendations to this House that I hope will be accepted and that will ultimately achieve the goal that most members want, both those in the opposition and on the government side, especially the government members who are not in the cabinet: that is, to make our role more relevant to today's society and to our constituents.

**Mr. MacDonald:** Mr. Speaker, in the last 10 or 15 years, reform of parliament has become a preoccupation, even an obsession, with a small number of people. That small number includes a minority of those who happen to sit in parliament. The attendance here tonight is a manifestation of the percentage that is passionately attached to this issue. However, encouragingly, it includes a growing number, though small, of people who work and live on the periphery of parliaments, Legislatures and various agencies of government.

I do not think there is any mystery as to why this is taking place. One of the problems in the free world in the last generation, indeed throughout the whole of the post-war period, has been a recognition that the burden and complexity of government have outstripped the capacity to cope with current problems. Therefore, there is frustration and exasperation. There seems to be an extreme length of time in terms of coming to



grips with problems and finding solutions. Indeed, sometimes we live on and on without a solution. That has resulted in a growing disillusionment and concern on the part of the electorate as a whole who ask: "What real relevance is there in parliament? Is it really working for me? Is it achieving anything for me?" I do not think there is any mystery as to why we have this concern.

It has rather intrigued me in looking at the plethora of studies that have come out in learned journals and in publications put out by the chamber of commerce and a great range of organizations throughout society and the economy that the focus, in terms of getting at a real reform of parliament, has been on the committee system. There is a feeling that if we can reform and make committees more effective, we will perhaps facilitate the decision-making process and, most important of all, we will make the role of the back-bencher much more meaningful.

I notice that the government whip is almost in a state of apoplexy. He walks in here, takes a look at the Acting Speaker, the member for Algoma (Mr. Wildman), and wonders whether the reality of March 19 has been totally lost. I trust, Mr. Speaker, that you will not be shaken by the fact that he has paled. You will notice he has greatly paled at this change. Perhaps this is the reform of parliament.

**Hon. Mr. Gregory:** I just realized you were speaking. I walked in at the wrong time.

**Mr. MacDonald:** I thought the member came in because I was speaking. I was flattered for a moment.

9 p.m.

Let me try to put this in historical perspective if I might. One of the advantages of being around here for a few years is that one tends to see things a bit more in perspective. There are a lot of complaints, legitimately so, about the way this Legislature operates today. Every time I listen to the complaints, I tend to pause and have a second thought about them, because when I reflect back on the situation 15, 20 or 25 years ago, I can assure members it was infinitely worse.

Indeed, in the latter part of the 1950s, this Legislature was operating on essentially the same basis as it operated at the time of Confederation. I have said elsewhere, and I repeat it here, that the man who brought the Ontario Legislature into the 20th century was John Robarts. That was not until the seventh decade of the 20th century; so we have made real

progress. I do not think we should get it out of perspective.

Even in committees throughout the 1950s and 1960s, I recall rather distinctly that we used to have the practice of having committees that tended to be related to single departments, as they were then called or ministries as they are now called, sometimes bringing two or three of them together in a certain collectivity. Each year there would always be somebody with a brainwave that appeared to be persuasive enough, and they would add a new committee. We had 15, 18, 20 and 21 committees.

There is a story told which may be apocryphal that at one point, as they were trying to fit all these committees into the limited time frame for committees to meet, they fed it all into a computer and asked how it could be done. The computer in effect said, "It isn't possible."

It was at that point, with the examination of the Camp commission and the Morrow committee, that we tended to go to the basic approach, apart from a few specialized committees, of four omnibus committees which were related to the policy fields.

I want to say to those members of the House who have deigned to be with us this evening for this important debate, that this is such an improvement over what there used to be in days gone by that I will have to be persuaded we are moving to something better before I am going to let slip out of my grasp the achievement it represents. I will balance that statement in a moment.

Let me focus on one thing. There is a great concern about the ineffectiveness of our estimates procedure. There are some people who say we spend 20, 25 or 15 hours or whatever it is with respect to a given ministry and, in the consideration of it, one goes around the mulberry bush two or three times. It is rather repetitive. It is rather circulatory. There is a mixture of consideration of finances and consideration of policy.

I will concede all of that is somewhat untidy, but I for one am going to have to be persuaded that what we are considering is going to be better before I will be willing to relinquish that. Quite frankly, the main problem with making that effective is not in the way it is handled so much as in other restraints that have been placed upon it. Let me name two. One is that under the regime of our current Premier, this Legislature has gone back in the sense of being willing to devote enough time to the business of

he people of this province with the sitting of the Legislature.

Back in the 1950s, Leslie Frost, God rest his soul, I am convinced used to take a look at the calendar. He would count back from Easter about eight or 10 weeks and he would start the House. Everybody knew that when Easter came, it was going to end. Anything projected beyond it was the Procrustean bed approach; it just got chopped off. If the members want to view some spectacles, they should have been around back in those days when we were cramming business in and sitting until 3:30 or four o'clock, when private members' bills which had been sitting on the agenda for three or four months—not for three or four months, because we were not sitting for three or four months—but for at least 10 weeks, would be called at the whim of the Premier.

I remember that memorable occasion when Art Rheame went out for a dentist's appointment and came back. While he was away the Premier had called his bill and he came here and he hit that roof. We had half an hour of rather colourful and spectacular protest.

That was the way business was handled. In the days of John Robarts there was a recognition that we had moved into a new era with complex government, with the recognition that the opposition had a legitimate role to play and that the opposition should be given resources. The government had all of the panorama of resources in the civil service and in the ministries; the opposition had none, and we gradually built up a minimum of resources for the opposition to do their job.

John Robarts had gotten out of the mental fix of the previous days in which, when the government was elected, its primary function was to put the boots to those SOBs who had been putting the boots to it when they were in power: the attitude of Hepburn vis-à-vis the Tories and the Tories vis-à-vis Hepburn. That ended with Leslie Frost. With John Robarts, it was business: it was the people's business, it was big business. One had to operate on a sensible, rational basis. He was chairman of the board; the opposition had a role to play, and they should have some resources.

One of the characteristics of that change was that the Legislature would sit for enough time. Indeed, there was one year we sat, with a break in the summer, really around the clock, around the calendar before we finished. We sat for 13 or 14 months to do one year's work. Eight or nine

months became more or less the pattern of it. We have reverted from that.

One of the things that has always puzzled me when I read the Camp commission report is a quote in it attributed to our Premier today, saying that he would be willing to consider a rational annual calendar for the orderly handling of the business. But he has never done it. The session begins sometimes in March, sometimes not until April; it knocks off for the summer. That is fine; I think we should be with our families, and we should have holidays the way other people have during the holiday period. Of course, it is not a free period; we all know that we have constituency work to do. But we do not come back after Labour Day; we come back during the latter half of October. The result is that we have that incredible mad scramble in the latter part of June before the summer recess and an even madder scramble on the eve of Christmas so that we can get home for Christmas.

Camp spelled it out. For the life of me I cannot understand why we cannot react to it and implement it. The annual calendar for the Legislature should be to meet in the latter part of January at the latest; it should recess for maybe 10 days or two weeks for an Easter recess; it should recess on the last Friday of June for the summer; it should come back shortly after Labour Day, and it should sit as long throughout the fall as is necessary to complete the business. That might mean we would be adjourning on November 1 if there were very little business; it might mean we could complete the business in a sensible way rather than in a congested way at least by the first week in December.

If we had that then all of this committee work could be fitted in. We would not have the problem we now have, for example, of not being able to complete work in the House and of having to shove it out into committees to try to get it completed in one way or another in the recesses of the Legislature. That is a distortion, a perversion, a misuse of the Legislature.

I hope those members on the other side of the House who may have an opportunity to talk to those who could be persuaded to make decisions on this fundamental point will raise their voices. I know some of them share my objection to the kind of insanity we indulge in during the latter part of June and the week before Christmas every year.

A second way in which I think our existing procedures might be made more acceptable is if



we did a little bit of sensible training of committee chairmen. I am not going to name any names; I want to deal with the principle of the matter. I think of some of the estimates that have been considered with chairmen who sat there and gave no direction, who were not in authority at all, sometimes with ministers who wanted to manipulate the committee or who were not very competent, if I can put it bluntly.

I have gone through the estimates for the Ministry of Agriculture and Food for the last few years. Need I say more? The result is utter chaos. Last year, with a new chairman who exercised some direction and with at least a start towards implementing the procedure that I thought was the accepted one, we began to make some order out of the chaos.

What I am saying is that if we had a long enough annual sitting of this Legislature and we had an orderly and competent handling of the committees, we could do the job, and do it, I think, with a measure of competence and a measure of effectiveness.

**9:10 p.m.**

I was rather interested, quite frankly, when I read the transcript of the meeting that the current committee had with the three House leaders on April 15, and saw a comment of the government House leader (Mr. Wells). He said: "Things are perhaps not as bad as sometimes we all think they are. In other words, we do get the estimates done under the present rules and we do have free-ranging discussions on government policies."

As I will say a little bit later, I think it may be possible to come to the policy aspects and the financial aspects of estimates in a separate fashion. I am not as closed-minded with regard to that approach as the Liberal spokesman was, and I will say a bit more about that in a moment. But at least we have got that opportunity for a full consideration. If we were sitting the full length of the year, there would be no problem in getting it done. If it were handled efficiently and in an orderly fashion, I think we could achieve what we are attempting to achieve around here.

Let me say a brief word about the work of this procedural affairs committee. Quite frankly, I think they are to be congratulated. When I read all of the diversity and conflicts in the proposals for parliamentary reform that have emerged—a Niagara of them has poured out in the last 10 years—I think this committee, an all-party committee, sat down and came forward with a consensus.

I think we should pause for a moment and

reflect on what consensus means in the context of that committee's operation. It means there were things in there with which the parties, and maybe the individuals in each party, were not necessarily in agreement; but they were willing that they should be included in the package because by including them in it they were able to get something else that they thought was a top priority in terms of reform. They achieved a consensus by way of the kind of consultation that emerges, for example, among our House leaders, where they do not always agree but they come up with a consensus which makes a more orderly operation of this House possible.

That was two years ago, and that was achieved perhaps under the unique or more beneficial circumstances for consultative arrangements of a minority government. My information is that the current committee, which is the product of a majority government, has reviewed that report and in essence is in support of it. It is because of that it is now before the House. So we have a consensus, representative of all of the parties. It seeks to achieve a balance between the government and the opposition. I think if it were implemented fully along with all those reforms of the past 10 or 15 years, it would achieve something of a better balance between the Legislature and the executive branch of government. All of these are basic elements in the whole thrust of parliamentary reform today.

I congratulate the committee but, as I turn briefly to deal with a few specific essentials in it, I want to stress that if we are going to move towards this reform, we have to recognize that it is a balanced package and that it is not going to be an acceptable procedure for the government, which will be in the saddle—this is a majority government; I accept the reality of March 19—to pick and choose the things the government likes and to throw out those things that the opposition felt were necessary. I dare to suggest John Robarts would have agreed they were necessary to give a greater balance from the opposition side of the House.

**Mr. Nixon:** Tom Wells will not let them do that.

**Mr. MacDonald:** Let me turn to one or two of the specifics. In fact, the whole thing is set up rather neatly on page 10 of the report.

**Mr. Nixon:** Mr. Gregory will look after our needs.

**Mr. MacDonald:** They were speaking about the policy fields, the four omnibus committees.

**Hon. Mr. Gregory:** I'll look after you, Bob. I'll make sure you get a fair deal.

**Mr. MacDonald:** I am sure, Mr. Speaker, you will let the government whip participate in this debate later in a coherent fashion rather than by these interjections.

**Hon. Mr. Gregory:** I would rather just comment on yours.

**Mr. MacDonald:** Perhaps if you reminded him of that, he might be persuaded to quiet down.

**Hon. Mr. Gregory:** Was it something I said?

**Mr. Breaugh:** No. Just the fact that you are here.

**Mr. MacDonald:** I am quoting from page 10 of the report, in reference to the four policy field committees:

"In sum, the committee sees little reason to perpetuate the policy field committees in their present form. Since each task currently performed by these committees—estimates, legislation and special studies—calls for a different approach, the committee proposes a different structure for each."

May I interject that this seems plain common sense, this sorting out of the mix of objectives and dealing with them in a more coherent way within a committee that is set up to do that special job. I continue the quotation:

"In essence we suggest the policy field committees be retained, but only for the review of policy, that legislation be considered in legislation committees, and that estimates and financial matters be dealt with by an altogether new committee. The following sections set out our specific proposals."

I am picking and choosing among some of the things in the report, and I am not going to go on at great length because I trust there are many people who want to participate in this debate and therefore no one of us should hog unduly the limited amount of time we have.

For example, on the question of substitution, I do not object to the committee's proposition that if we are dealing with something that has an essential continuity to it and is relatively short term in its preoccupation, namely, a piece of legislation, we should have the same members there all the time and no substitutions. Obviously it is just plain common sense

Equally, if we get into a committee that is considering estimates, and even in the new format we may be switching to considering only four or five a year rather than six, eight or 10, as has been the case for each one of the commit-

tees in our current procedures, then obviously we have to have substitutes, because the people who are the critics in that field or who have a greater interest in that field come in and play a role in the committee.

May I comment briefly on the assertion of the member for Essex South (Mr. Mancini) that he did not want to give up his right as a member to come into an estimates committee to intervene and to raise questions? I am told by those who are full-time members on the committee that members will not be denied that right. I understand that on any committee, as is the case now although it was not so in the past, members can attend and raise their voices. If there happens to be a vote, they are not going to have an opportunity to vote if they are not members of the committee. But I understand there is not a total chopping off of members' rights to go to any committee and to raise any point they have with particular reference to it.

**Mr. Mancini:** The finance committee would take all those rights away from us.

**Mr. MacDonald:** As I understand it, every committee, including this new finance committee, is a committee that any member of the House who may be interested can go into and raise questions. So it is not going to be a committee of six or eight who will be the elite and the rest of the hoi polloi are going to be denied an opportunity to participate if there is something they are really interested in.

Since the main burden of my remarks earlier was a defence of our present approach to estimates and an unwillingness to move away from it because, at least if we had enough time in the year, it gave us an opportunity for a full exploration of policy in relation to the expenditure, let me say I am open-minded. I recognize, as an intellectual exercise at least, that if one has an estimates or finance committee, or whatever one wants to call it, a committee that is going to look at the financial aspects and deal with those and those alone, and one has policy field committees that deal with policy, that would be a tidier way to go about it.

9:20 p.m.

There might be some loss in that process, because policy in relation to the expenditure in any given year has a certain relevance, a certain meaning. However, I think if we could deal with most of the estimates in the pattern as conceived in this proposal, at least those that are going to be considered in depth in any given year, in the period up to the end of June, that



would remove the absurdity which exists at present of considering estimates through to the eve of Christmas, when three quarters of the money has been spent and there is almost a blanket denial of the opportunity or right to suggest there should be any change in the pattern of those expenditures. So a new approach there would be a good thing.

If one can consider policy, without getting it cluttered up with finances, and pick what are deemed by collective agreement among the parties to be the chief policy areas of interest in any given year and really get into those policies in some depth, it is possible that would be a better approach. I would be willing to experiment with it.

Let me select just one more specific in this operation: the question of whether each member of the House should have his own personal research staff. As everybody knows, after thorough examination of the situation here, the Camp commission recommended that. Everybody knows that the Morrow committee, which was an all-party committee, reaffirmed that recommendation. Yet there has been stalling and procrastination. Indeed, tonight the member for Burlington South (Mr. Kerr) reiterated his reservations with regard to that procedure.

**Hon. Mr. Gregory:** What has that got to do with committees?

**Mr. MacDonald:** It has this to do with committees: the work of committees will be improved if a member can come in with facts. It is true that one can go to that nonpartisan pool in our legislative research branch, to which the member for Essex South (Mr. Mancini) referred, and one can go to the research component that is in each caucus. But I think I am stating the situation accurately when I say that inevitably caucus research is going to be tied to the overall thrust of the caucus and to the leader's needs as the spokesman for the party. Every member, including government back-bench members, has a half dozen issues at any given time in which it would be useful for his work, for his people back home and for his contribution in the Legislature and in the committees, to have a personal researcher.

One of the arguments advanced in opposition to this idea is cost. I become weary and exasperated when the media seizes on what is usually some picayune amount and gives it front-page coverage as an example of excessive expenditure in the public arena. I want members to listen to this, because I do not believe it is recognized that all the expenditures of this

Legislature—our salaries and those of our staff, the research operation, our pensions, the cost of security staff, Hansard, everything—are about \$30 million out of a total budget of \$20 billion. My mathematics is pretty poor, but I calculate that is a small fraction of one per cent. I challenge anyone to find a business of comparable size in which the head office establishment spends only one hundredth of one per cent.

This establishment here is the head office and the board of directors for the people's business, which is the biggest business in this province. Each member should have a researcher as a supplement to the collective research done for the caucus and the independent nonpartisan research that is done in the legislative library research branch, and to assist him in his constituency work, his work in the Legislature and his work in the committees that he happens to be on. To suggest that this is outrageous, unthinkable, undesirable just leaves me totally baffled.

**Mr. Nixon:** What was that word?

**Mr. MacDonald:** Baffled. And I get baffled when I listen to the Liberals sometimes.

If you go to Ottawa you will find that each member has—what? Three people?

**Mr. Eakins:** Three people.

**Mr. MacDonald:** In Washington the number of people whom each member of the Congress has is just mind-boggling. I am not suggesting that we should go whole hog; it might be that our budget would go to \$100 million and be one per cent of the overall budget of the province if we did that. In that context what validity is there to the proposition that we should not have a researcher for each member? Surely we can be sensible and not panic because of the rather mindless editorial outpourings we will get from people, including the coalition down in London—what is his name?

**Mr. Nixon:** Colin Brown.

**Mr. MacDonald:** Colin Brown's outfit. Right.

**Mr. Kerr:** Ouch!

**Mr. MacDonald:** Ouch! Right.

Let me draw my remarks to a close, because I am not going to go into all of the details in the report; I will leave it for others to make their contribution on that score.

We have studied this matter for 10 years here, and we have a wealth of studies from outside. In this committee we have had an all-party consensus as of two years ago. It is an all-party consensus that has been reaffirmed by a committee with this government, a majority govern-

ment. I think it is time that we did something about it; we have talked long enough. I only say that when we move to do something about it we should recognize that this is a balanced package produced by people from all parties. The government members cannot pick and choose just those things they might like or we on this side of the House might like, because I think a balance will achieve a more effective working towards the overall objectives of this Legislature.

In the process, incidentally—and here is a shattering thought to some people—it may well be that we have to take a look at the possibility that we do not have enough members in this House, particularly on the government side outside the cabinet, to be able to do all of the committee work. When I first read the Camp commission report and noted that he had said this House should be expanded to 180 members, I caught my breath and said, “This surely is a bit exaggerated.” But then I analysed the rationale for it. I do not know where we would put all 180 members. Maybe we would begin to operate like the British House of Commons, where their 635 members—

**Mr. Nixon:** Benches, not desks. We can do it easily.

**Mr. MacDonald:** You mean who would be on your lap. I will give you a choice.

Since everything is achieved by evolution, maybe we can move between now and the next election to a redistribution according to the last census and add more seats. We cannot move to 180, but we can move in that direction. As part of the experiment, I suggest that we should now get active and not delay very much longer. We will find out how many members would be necessary to make the committee system work well.

We have a good basis for attacking the problem here, and I just hope that the government whip, as he nervously taps his desk, will be one of those who will strongly urge that we come to grips with implementing this in a balanced way.

9:30 p.m.

**Mr. Nixon:** Mr. Speaker, I always find the member for York South stimulating, and this is no exception. I did not think I would live to hear a Socialist talk about justifying research on the basis of running a government like the board of directors of a corporation. I notice that he did not include the costs of the actual members of the corporation who have the responsibility for

operating it on a day-to-day basis in his all-in figure.

I do want to say something about the report and some of the things I think might improve it. I agree with those, such as the member for York South, the government House leader (Mr. Wells) and the member for Essex South (Mr. Mancini), who have indicated that our rules do permit an extensive utilization of our time for opposition members, government members and government back-bench members to discuss policy and direct criticism at various ministers and so on.

In some respects, we are our own worst enemies here, particularly when it comes to debates in the House. I personally believe we should have a time limit on most of our debates. Many of us sat through a fairly large percentage of the throne speech debate and, while I thought all the speeches had merit, some of them were obviously too long. I am not talking about my own contribution, because we did not have time to hear from the member for Brant-Oxford-Norfolk. There were long speeches from each party.

**Mr. MacDonald:** It was a Liberal member who went on for four days.

**Mr. Nixon:** If the honourable member is talking about the sainted Joe Gould, God rest his soul, who spoke without stopping for three days, he should look up Hansard and find some of the pearls that he cast in those days. They are still valid.

I still believe that in formal debates in particular we ought to set limits. With that would go the understanding that we as members, paid to be in this House and to express the views of ourselves on behalf of our constituents, have an equal responsibility to listen to the views of others.

I find it increasingly difficult to accept that the Premier (Mr. Davis) and the government of Ontario do not feel it is their responsibility to be present in the House for anything but a few great occasions or when they themselves are called on to perform. We have discussed this previously, but it is becoming an epidemic.

The member for York South harked back to the great days of John Robarts, but one of the things I recall is that he would be in his seat more often than not. If the Premier was there, the cabinet had darned well better be there, and it was. If the cabinet is here, the back-benchers are here. To be fair, they do not do badly on the Tory side, and it is the same for the opposition.

My memory may be a little clouded, and I do not go back as far as the member for York



South, but in those days the attendance in the Legislature was better and there was more of a feeling that one could exchange views with some relevance and validity. Now, unfortunately, many of us are rapidly losing the grasp that anything that happens here has any significance and that everything of significance happens elsewhere.

That leads me in some form into a discussion of researchers, because one of the things I found less agreeable in the most recent throne speech debate was that for the first time a number of members on the government side, and some on the opposition side too, undertook to read lengthy, boring screeds undoubtedly prepared for them by the capable research staff they have at their disposal.

The member for York North (Mr. Hodgson) was a classic example. He is a person for whom I have the highest regard. I do not want to impute motives, but he spoke at great length from a speech I simply cannot believe he wrote for himself. There is nobody who, in his off-the-cuff wisdom, is more interesting to listen to than the member for York North, but there was nobody more boring reading a speech 55 minutes long—I timed him myself—of great stuff prepared by the brains upstairs or down the hall.

Those researchers are good but, by the time one transplants their thoughts into the mouth of that member, it is not worth while. That is not a criticism of the member. I have heard him make sense when he is talking on his own. This is the one thing that turns me off about a suggestion of spending many more thousands of dollars for additional research.

Occasionally, when I take my job as House leader seriously, I go around to the various estimates debates to see that our party is represented, that the debate is going on and to find out what is going on. There are occasions I will go into one when a minister is making a leadoff estimates speech. It is almost getting to be a contest, because on many occasions the minister will have 65 or 70 pages of speech to unload in a dreary monotone. It is just an insult that they do that.

What is just as unacceptable is when one hears the critic for the official opposition—it could be myself, one of my colleagues or a critic from the NDP, and believe me this happens—reading a criticism prepared by a researcher, with the detailed assistance of the member, which of course goes without saying, that is essentially the concept of a researcher rather than the person who is doing the work. I do not

believe in that. We might as well stay home, work the ground for the spring seeding and let the researchers talk to each other and shuffle papers back and forth for all the value that accomplishes.

On the other hand, I have heard excellent debates in estimates. I do not want to mention names, but I suggest that the Ministry of Agriculture and Food estimates are just about as good as any we have. The member for Huron-Middlesex (Mr. Riddell) is one of the best speakers in the House. He prepares his own stuff and prepares it carefully. He spoke quite effectively this afternoon. Although I should cut my throat for saying this, the member for York South is just about as effective as anybody else on agricultural policy and other things. When he gets up to talk about the ministry and spends 40 minutes in an overview of what is going on, we all know it is worth listening to.

I am not prepared to talk about the most recent estimates, because my ability for unqualified admiration runs aground at that point, but certainly in days gone by, and perhaps in the future, the minister can come back in style. Even the addition of the new deputy, Duncan Allan, added a certain *je ne sais quoi* to the eloquence of the response. That is what we say in South Dumfries. I am not sure whether I can help you or not, George. It added an interest to the estimates which I certainly thought could not have been handled any better.

If we were restricted to talking only about dollars and cents in the Agriculture and Food estimates or anywhere else, it might be all right. But if someone asks the minister, "What is this \$17 million? Why is it not \$14 million or \$23 million?" unless he is trying to convince us that he has not made off with the boodle to Buffalo, surely all he can say is: "It is our position that we have to spend this money for this particular service. We feel it is good because there are so many people needing it." So we immediately get into the kind of discussions we have now.

The proposal that we restrict the so-called estimates committee to dealing with dollars alone would be restrictive indeed. I believe that sort of review might be possible, perhaps with the help of the Provincial Auditor, although he deals with expenditures after they are made.

One of the interesting suggestions that was made in the standing committee on procedural affairs was that perhaps the Treasurer (Mr. F. S. Miller) could take part and that some of the discussions might be made before his budget. I believe that recent experiences in other juris-

dictions have made it perfectly clear that Treasurers will soon have to give up this thunderbolt-from-the-blue budget approach.

Our own Treasurer is babbling on about consulting everybody in the community about what we should do in this province, but I do not believe he consults us. There are things put forward in question period, but his real consultation is in Queen's Park as he jogs around at 7:15 in the morning. I actually saw him doing it one morning last week. He does not carry a pad and pencil, but no doubt he is writing paragraphs of the budget speech we will be hearing in a couple of weeks. I actually doubt that.

My point is that this financial committee might move into spheres that we do not currently envisage, particularly if the committee, with the presence and participation of the Treasurer and Minister of Economics, can become some sort of valid forum where perhaps we can hear delegations but essentially where we discuss as elected members of the Legislature, each with equal responsibilities, the fiscal and financial future and planning of the province. It is a bit unlikely but possible.

The concept of cutting off the private member's opportunity to discuss a wide variety of subjects presents a valid concern. The member for Essex South has already raised it. He used rather colourful and strong language to indicate that he would not give up that right, and I do not believe anybody would, certainly not in the opposition and sensible members of the Progressive Conservative Party. I see a few of them there who are good, solid foot soldiers in the army of democracy. I am sure they know, as everybody does, that elected members have to have access to the ministers, to criticize their policies and to offer alternatives and that there is no thought of ever doing away with that.

9:40 p.m.

I feel that the main pressure from the government side in reviewing this is the feeling they have: "My God, we are spending too much time in estimates. It is boring, boring, boring and we just cannot stand it any longer."

It is true, as the previous speaker has said, that estimates used to take much longer. I suppose we are far enough away from it now to say that he is responsible for that, even more than John Robarts. He is responsible for what has really been quite a definite reform of our review of the fiscal and spending policies of the government.

I still do not believe it is extremely effective, but it may be about as good as one can get,

because there is time allocated that cannot be removed under our rules except by agreement, and the individual members wait their turn if necessary and finally get the minister and his deputy and all the rest of the people there and put forward their alternatives for highway sites or whatever it happens to be that is being discussed.

I do not believe that has to be removed. It might be improved somewhat. As members know, the rules call for at least 100 hours more than we have ever used. My own feeling, which I have expressed, and it probably is not practicable either, is that we might make better use of the concurrences in the Legislature. A good friend of mine and a person whose opinion I respect, feels we should abolish the concurrences entirely.

I do feel if we could persuade some people to come into the House and take part in a general debate on estimates, that could be useful. Once they have been reviewed in detail and come in here, we could have a couple of hours of discussion of general policy, with the minister taking part. It could be made useful if we could persuade people to come into the House and take part in debates from time to time, as I believe we all should.

One of the recommendations that I particularly liked was the idea of striking what almost amounts to a select committee for each bill that is sent out of the House for review. The idea was that, rather than sending it to one of the omnibus committees, a group, as small as possible and representative of the parties in the House, should take the bill and have hearings or discussions, whatever they feel is necessary before the bill is reported back. Once the bill is reported back, that committee would dissolve. It would require some fancy juggling on the part of the whips, the House leaders and whoever else has any input to at least making the opportunity for discussion available. Personally, I like that recommendation very much.

I want to touch briefly on another reference that was made both by the chairman, who spoke first, and the two other members who have already spoken. That is the possibility of having some committees with the specific subject orientation. The recommendation calls for the re-establishment of a private bills committee, which I personally would favour. If there is ever a committee that tends to attract the elite, that is probably it; our experience here in the past has been that political considerations tend to be somewhat downgraded and that the proposals



for private bills, particularly for municipalities, are carefully reviewed, usually in the absence of political pressures. The committee sits almost like a court—I hesitate to use the adjective “kangaroo”—with the power to approve the proposals from the municipalities, to reject them or to amend them.

In the past, the committee has had a good deal of prestige and, in my experience, was certainly one of the most interesting and useful ones we had. It tended by itself to upgrade the respect that the committees in this area had.

I want to close by saying something about the argument regarding one researcher per member. My own feeling is that the requirements for individual members vary dramatically. As far as my advice to my colleagues is concerned, I would much prefer to have money made available for research as it is now, to be allocated by the caucus, meeting with its leader and working it out as they see fit.

We have already expressed our objections to the way the formula is used under the direction of the present administration. They are prepared to look at the 21 members of the New Democratic Party and pay them as if there were 30. The objections that they have for inadequate research may be because their leader, or their acting pro tem leader, is sequestering all the research for himself. It does not appear that way, but it could very well be. But that is a problem that they have. As a matter of fact, it is a problem any caucus has. It is something they have to work out. In fact, the total amount of money available for members’ services and for research is more than would pay for a researcher per member now if that total allocation were to be made.

As you know, Mr. Speaker, some caucuses, ours included, are quite anxious to send groups out as caucus task forces, or special caucus committees, to go about the province and get the views of experts away from Toronto. I do not see anything the matter with that. I also do not see anything the matter with using caucus allocations to pay at least part of those expenses. Goodness knows, ministers and their army of parliamentary and other assistants have no compunction or restriction when travelling in using government aircraft, government cars and government staff for all these purposes. I think that it is something opposition parties have to do as well.

I do feel more money can be allocated to research, but it should be on the basis of a certain number of dollars per member. I think it

should be a number of dollars per member elected, not members deemed to be elected, in some nefarious, mystic scheme the chief government whip (Mr. Gregory) might dream up to improve his political fortunes in the future.

I really must congratulate the members of the standing committee on procedural affairs two years ago for coming up with a report that I think is imaginative and useful. I think that we have a system that is working reasonably well and that we, as private members and individuals in the House, could make it work far better if we tried.

With that in mind, frankly, I do hope we can move on the trading-off procedure the chief government whip has mentioned from time to time for getting certain improvements that will assist the opposition members somewhat, and the members of the government as well. We are not prepared to say that we are only going to take what we need, just as I am sure the government is not prepared to say it is going to take what it needs. We will see how it develops and we will hope for the best in that regard.

**The Acting Speaker (Mr. Cousens):** The member for Oxford.

**Mr. Treleaven:** Mr. Speaker, I take certain responsibility for matters getting out of order.

**Mr. Stokes:** On a point of order, Mr. Speaker: The member for Oxford missed the rotation.

**Hon. Mr. Gregory:** No, that is not true.

**Mr. Stokes:** Just a moment. Hear me out. It is normal that you go around in rotation. The member for Oxford missed the rotation. Then the member for Brant-Oxford-Norfolk (Mr. Nixon) followed the member for York South (Mr. MacDonald). If you are going to continue with the rotation, it should be a member of the New Democratic Party. But I have no objection to you recognizing the member for Oxford as long as we get back into the proper rotation again. That is the point I am trying to make.

**The Acting Speaker:** Thank you. The member for Oxford.

**Mr. Treleaven:** Mr. Speaker, do you wish me to speak to the absence of rotation or to carry on?

**Mr. Nixon:** Carry on.

**Mr. Treleaven:** Thank you.

**Mr. Stokes:** The member for Mississauga East (Mr. Gregory) just doesn’t understand the process.

**Hon. Mr. Gregory:** I understand the process. You try to take advantage of it.

**Mr. Treleaven:** Mr. Speaker, I promise the member for Oshawa (Mr. Breaugh) I will be very quick. If the senior members of the House are going to quibble, they are going to hold us all up. May I have my few moments?

Unlike the member for York South, I am going to pick and choose from the committee report. I also feel quite intimidated in following the previous two speakers. I would rather have gone ahead of them so that there would be no comparison.

I want to refer to four different items in the report. First, the report suggests we have smaller committees; it throws out the figures of five or six, and says no larger than 10. I suggest that the present number of 12 is the exact number that is proportional to the House. It is the lowest number that is proportional to the membership of the House. I further submit that it should remain so, and always be in proportion to the House. If we go down to eight, and the lowest it can go is eight, there would only be one member in the third party. They would be left with a single member. Therefore, I submit that in each new Parliament the numbering of the committees should be changed to stay in the same proportion as the members in the House. The voters elected us in that proportion. They expect it and they would feel cheated if in some way their votes were subverted into a lesser proportion in committee than in the House.

9:50 p.m.

**Mr. Nixon:** Then why do you say there are 30 NDP members?

**Mr. Treleaven:** Certainly, being from Oxford, I do not count very well. I leave it up to the Liberals to do the counting on those numbers.

**Mr. Nixon:** You just pay them.

**Mr. Treleaven:** The second point I would like to make is that on page 7 the report states that smaller committees mean fewer substitutions. I totally reject that hypothesis. Of course, one is going to have more effect by number, but certainly not by proportion. If one misses four out of 12, and it is very unusual to have four substitutions on a particular day, that is equal to two out of six. There will be fewer substitutions by proportion the larger the committee. Therefore, I again have to disagree.

The second topic is substitution. I would like to suggest that my friend, the member for Burlington South, was somewhat idealistic when he stated that sometimes there is a substitution as recent or as short as 24 hours. In my experience, it is sometimes as short as 24

minutes or less. I suspect he is being idealistic in suggesting he agrees with the committee report that there should be no substitutions.

I believe the principal reason for substitution is that the members are serving their constituents. If one took a look at some of the summer committee rooms and the telephones outside, the telephones were almost smoking from use. The little girl runner was wearing her feet off working the telephone and handling the shuffle in and out. The members were looking after their constituents.

**Mr. Nixon:** They were calling their brokers.

**Mr. Treleaven:** I am looking at no members on either side of the House when I say that.

If there is a contest between serving one's constituents and serving the committee, the committee must take second place. The realities of being re-elected and of the fact that one-third of the members here are new, elected last year, means that perhaps they have not become so secure in their positions they can take their constituents for granted. They therefore feel their constituents must come first and the committee must come second.

The MPP for a particular riding is the only one, of course, who can represent his constituents but there are many other members of this House who can represent him as well in committee, and perhaps even better. His first duty is to his constituents and not his committee. Therefore, substitution must remain. I cannot agree with those who have not taken that view.

Page 8 of the report states that select committees are good examples of committees working without substitution. The reason for that is most select committees are nonpartisan. They are not like legislation or estimates committees. That is not a valid comparison or example to use.

The third point I would like to touch on is specialized committees. The report refers to the estimates committees, the policy review committees, special studies committees, legislation committees and a new committee for each bill or series of bills. I disagree totally with that. That would end up placing the members of the committee by occupation. It would mean the accounts and estimates committees would take the accountants and the bookkeepers. The teachers would go to the education committee, the solicitors would go to the justice field, which is partially happening now, the farmers would go to agriculture—



**Mr. Nixon:** Are you not chairman of the committee?

**Mr. Treleaven:** Yes, I am a member of that committee, part time.

**Mr. Nixon:** Should you not be disqualified because you are a solicitor?

**Mr. Treleaven:** Not necessarily; part time, in one's specialty or occupation, is fine, but to do that all the time certainly stops one's learning process. Some of the older duffers who entered politics did not do so in their twenties and thirties as a major career or their first career, they did so as older duffers in their forties as a change of career.

In the mighty constituency of Oxford, I might note the last three members, federally and provincially, were all people who entered politics in their middle forties from other careers. They had served their 20 years in other occupations—dentistry, medicine, law—and then they entered another phase, another career. Therefore, they do not wish to spend their entire second career looking at the same occupation and performing the same duties all the time in this House as they did for the first 20 years. Part of the time it is satisfactory, but if we are to grow—as the member for Brant-Oxford-Norfolk (Mr. Nixon) likes to see us grow—and if new members are to take part, their horizons must be expanded. Expanding their horizons is achieved by putting them on other committees.

I will make one more point. When I first arrived here I had breakfast one morning with the member for Wellington South (Mr. Worton), and he mentioned that in the old days the members generally knew what was going on because most committees were in this House. Nowadays there is not a hope of anybody knowing everything that is going on; one can only know a smattering.

This limitation is increased if all the lawyers are put into the justice field and not moved into anything else; if the teachers are put into the education field, and so on. In an effort to have members gain a broad knowledge, as the member for Wellington South suggested they used to have, and try to incorporate that, I suggest that these committees be enlarged and that people not be put on committees having to do with their own specialties.

My fourth point is under the heading of saving time in committees. There may not be a recommendation under exactly that heading in the committee report, but certainly there is a reference to time being taken and time used. First,

time could be saved if the ministers looked at their legislation more carefully when they brought in their bills. At the point at which the public is no longer making its representations and before clause-by-clause debate, if the ministers were to set out for the committee, both opposition and government members, what the untouchable policies and principles of the government are, then all members on the committee would have their guidelines. They could then decide which points they would want to take issue with and fight hard on and which ones they would consider to be minor points and could roll over and play dead on. By that means they would isolate the issues.

My friend, the member for Huron-Bruce (Mr. Elston), as a solicitor, will remember from law school that we were taught to isolate the issues. That is first, and I am suggesting that the ministers do the same thing as they present their legislation: spell out the untouchables so that the issues over which to fight can be isolated and the legislation will go through much faster. In the past, we have seen ourselves spending hours, days and even, if I may suggest it, almost weeks trying to winnow out what is untouchable, what is a principle and what is not a principle, and what is negotiable. I suggest that a lot of time could be saved before clause-by-clause debate in that manner.

My last point concerns estimates. I am critical, and in my ignorance I do not know of whom. But the committees have been underworked. We are going to be back in this House for six to eight weeks with the committees totally underworked, and come June—I believe it was the member for York South (Mr. MacDonald) who referred to this—we will have our time jammed with extra sittings on Monday nights, etc. to get the estimates carried through.

I suggest that the senior members who appeared before the procedural affairs committee, the three House leaders, reconvene to try to find some manner by which some of the minor estimates, the noncontentious estimates that will not give away any secrets leading to the budget, can be placed before the committees to get them rolling soon after we come together and therefore avoid a jam-up in June.

10 p.m.

I leave those comments to be considered under the heading of saving time. My thanks for permitting me to speak out of order, particularly to the member for Oshawa (Mr. Breaugh).

**The Acting Speaker (Mr. Cousens):** The

member for Lake Nipigon: We have started a new order just for tonight.

**Mr. Wildman:** I didn't think you were out of order.

**Mr. Nixon:** I thought we came after the Tories.

**The Acting Speaker:** You are in order.

**Mr. Stokes:** Mr. Speaker, I want to thank you and the member for Brant-Oxford-Norfolk for understanding the point I was trying to make. It is unfortunate that his whipship over there wanted to be his usual obstreperous self and refuse to understand what we do around here.

**Hon. Mr. Ashe:** How is that spelled at the end?

**Mr. Stokes:** With a "p". I do not think there has been an issue that has more significance for members and staff of this House as it affects the democratic process in the assembly. I do not think there has been a topic, such as the ordering of the affairs of this or any other house in any other jurisdiction in the free world, that has had more study and restudy, or more surveying and resurveying, as the most effective way of using our committee structure.

We have staff in this House, some of them here this evening, who shall remain nameless, who have provided yeoman service towards the democratic process by taking the time to analyse the way in which we order our affairs in the House and in that extension of the House, our standing and select committees, and the part they play in making it possible for all 125 members to carry out their duties in a way that will not only improve the democratic process but assist members of the House in carrying out their responsibilities to the electorate.

Having served in a capacity other than as just the member for Lake Nipigon, I have had an opportunity to discuss in considerable detail the structuring of the work of this Legislature and more effective use of the committee system. I have also had the privilege to engage in similar discussion with regard to the House of Commons in Ottawa and in Westminster.

I have a vivid memory of the time that we had the privilege of hosting the Canadian regional parliamentary seminar, which is usually hosted by the federal branch in Ottawa, because of the impending federal election which would have made it difficult for them to host that conference. We had the pleasure of hosting it in this building with the capable assistance of members of this House, who played a very active role in it,

and the excellent staff and table officers with which we are blessed.

I can remember one of the participants in that forum, who happened to be from the United Kingdom, when commenting on the committee structure in Canada generally, particularly in the House of Commons and this Legislature, said that in the U.K. Parliament, they would just love to be where we were 10 years ago. So, members can see that everything is relevant.

When I was talking to members of Parliament from Westminster I got the impression that, with a House of about 640 members and with the great traditions they have, it is next to impossible to effect any meaningful change. Within the last couple of years they have made an honest effort to do that, but I do feel that notwithstanding all of the reservations that have been expressed by all members who have participated in this debate before myself, and the need for fairly major reform with regard to our committee system, it bears comparison with any other.

That is not to say we should not continue to strive to improve upon it and to make maximum use of the collective skills of all 125 members of this assembly so that what we are doing around here, the process that we are engaged in, will be one which can be truly called democratic. It should be one which reflects the needs and the aspirations of all citizens of the province of Ontario and one that leaves us, as individual members of this assembly, regardless of which side of the House we happen to sit on, with the feeling that in the process we have been given the opportunity to use whatever individual talents we have so we make democracy truly work, not just because of our own self satisfaction, but because the electorate demand that of us. I do not think we should give them any less.

The member for Oxford (Mr. Treleaven), in his remarks, mentioned the fact that the kind of person who is attracted to this place has changed rather dramatically from the tradition of many years ago. The point he makes is a very good and very valid one. In preparing for a speech I made out west in February about the private member, not only about his role in the House and committees but also in terms of his responsibilities outside the House, I did a good deal of research to remind myself of what was going on in other jurisdictions. I ran across two very interesting articles, both of them authored by no less a person than Robert Stanfield.

10:10 p.m.



I am not going to go into any details with regard to his impressions of the democratic process in Ottawa, but I want to relay to all members of this House the fact that of all the members who have ever served in that august body I did not run across any comments that reflected the collective frustration of members of that Legislature more accurately than did Mr. Stanfield's. He was in opposition while he was there, as Leader of the Opposition. He was very forthright, very open and very frank in his perception of the way they order their affairs and the people's business in that forum.

Even during the short interregnum between the 1979 and the 1980 electoral scene in Ottawa, the Right Honourable Joe Clark brought in a series of recommendations for the reform of the parliamentary system and its structures. A good many of the references in the report before us this evening quote from that list of reforms Mr. Clark would have liked to have made had he had a sufficient length of time to do so. The problems of making the best use of the committee structure in Ottawa are not too different from the kind of problems that have been outlined and enunciated by previous speakers in this debate.

Just to reflect the situation in Ottawa at present, I would like to quote short excerpts from some of the highly respected members of the House of Commons. Along the line the member for Brant-Oxford-Norfolk was pursuing, I want to quote from Walter Baker, the former government House leader. He said:

"There is a new breed of member of Parliament around here. We are no longer a Parliament of leading lawyers, farmers and business people in Canada who have made their reputations in other areas and come here as community leaders in the established sense. The people coming to Parliament now are young, active and energetic. They have left promising and satisfying careers in other places and they did not come here to stagnate. They came here because they are interested in the development of public policy. Members of Parliament are full-time now, so they want some satisfaction from their work. That is the kind of man and woman now being elected as members of Parliament and Parliament has to adjust to that."

That is a statement that anyone who cares about the parliamentary process would recognize and subscribe to. Notwithstanding all the studying of this problem and all the frustrations experienced by committee members from all sides of the House and of all political persua-

sions, I think it is important that we here tonight at least begin the process of not just making the committee system an arm of this House. I am echoing the sentiments of the member for Burlington South (Mr. Kerr), who is now the chairman of the standing committee on procedural affairs. We have a responsibility to complement in a real and significant sense what goes on in this chamber in such a way that every member of every committee has a real sense that he is doing something worth while.

If he is a government member, he should have a sense that he is doing his best to explain and support the position taken by the executive council in a sincere and genuine fashion. On the other hand, there has to be an opportunity provided to the opposition so the governed feel the governors are being held to account for their actions. The people must feel that whoever they send to the Legislative Assembly of Ontario, from whatever party, they are being represented in a true, effective and democratic fashion.

I want to quote a back-bench Liberal member in Ottawa, "Most of the time, the committee system now is an extension of question period which is really the ill-intentioned conversing with the ill-informed." That is according to Ron Irwin, chairman of the subcommittee on acid rain. "You can tell members to show up for a standing committee, but they are not stupid. They know the system is not working. The opposition goes there to embarrass the government, and the government members are there to protect their ministers. It is not really a search for truth."

**10:20 p.m.**

It is a pretty sad commentary when you get comments like that from the chairman of a subcommittee in our federal Parliament. With all the thousands and thousands of man-hours that are expended in that so-called democratic process in Ottawa, with all the millions and millions of taxpayers' dollars that are spent on that process in Ottawa, we get a gentleman like this, who happens to be a chairman of one of the committees, saying it is nothing but a farce.

It is a pretty sad commentary when someone feels so strongly about the inability of the committee system to work that he does not blame his members for staying away and opting out of or thumbing their noses at the so-called democratic process. That is a pretty strong indictment of the way in which government members who serve as chairmen of committees

there view the committee process in that jurisdiction.

Let me quote another one: "The senior people around Parliament Hill treat the standing committees with the contempt that they often deserve," observed Tom McMillan, another member there. "If you attend standing committees you will find that the most active participants are often the newest members. After a while they realize they are hitting their heads against a brick wall. It is a waste of time." That is another serious indictment of the way the system works in that jurisdiction.

I wonder if members of this assembly really appreciate the importance of the recommendations that are contained in the report we are dealing with tonight. I think it is fair to say that the 14 recommendations contained in this report are the collective efforts of a good many people, members and staff of this House, with the advice of a good many members outside this jurisdiction. I think it is accurate to say that this is the culmination not of two years of hard work but of 10 years of hard work going back to the setting up of the Camp commission, which looked into the role of the private member not only here but also back in his or her constituency.

It troubles me when I see the indifference with which a good many members treat the importance of the committee structure, whether they be standing committees, special committees or select committees. It troubles me to see the lack of interest.

Having read the Hansard report of recent vintage dealing with these recommendations not too many days ago, it makes one wonder just how many members of that committee had an appreciation of what the committee was trying to convey to this Legislature and what the full import of these 14 recommendations really is.

I am sure it is only a very small and minuscule part of the deliberations that went on for many months and years. It is my understanding, even though I was not a part of the process, that these 14 recommendations are in large measure a

consensus that most members of that committee could live with and could justify during a debate in this House such as we are having this evening.

I do not want to create the impression that there was complete consensus, because the member for Oxford, the member for Burlington South and the member for Essex South have some reservations about some of these recommendations; but, generally speaking, they felt comfortable to at least present these 14 recommendations to this House for debate tonight as a reasonable approach to a restructuring of the committee system that might meet with favour of the majority of the members of this House.

I pay tribute to all of the members of that committee from all sides of the House for taking the time, many months and weeks of time, to review in a very real and very substantial way how we operate here. I pay tribute to them for taking the very best of what was available in researching how other assemblies order their affairs and for coming up with these recommendations.

If ever there was a topic that deserved the complete and unanimous support of every member of this assembly who cares a darn, first of all about the democratic process, who cares about our collective responsibility in that democratic process, and who cares a darn about the best use of our financial and human resources on behalf of the people of Ontario, this would be the one to which I personally would give top priority because, in the whole context of parliamentary democracy and our responsibility to it, this is where it is at. It is a review of the way in which we order our affairs and particularly the way we structure our committees to carry out the mandate that is given to us collectively by all of the electorate across Ontario.

On motion by Mr. Stokes, the debate was adjourned.

The House adjourned at 10:30 p.m.



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Ontario

LEGISLATIVE ASSEMBLY

No. 38

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Friday, April 30, 1982

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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# LEGISLATURE OF ONTARIO

Friday, April 30, 1982

The House met at 10 a.m.

Prayers.

## ARBOUR DAY

**Mr. Kennedy:** On a point of privilege, Mr. Speaker: I would like to announce to the House that I received a copy of a proclamation by Metropolitan Toronto declaring today Arbour Day within the precincts of Metropolitan Toronto.

I bring it to the attention of the House and urge members, particularly those from the Metro area, to support and if possible participate in this day to increase the awareness and recognition of the benefits from things that are green and that are so important to the environment and the welfare of our people.

## PHYSICIANS' SERVICES

**Mr. Bradley:** Mr. Speaker, before we get to the questions of the leader, do you know if we can expect a statement from the Minister of Health (Mr. Grossman) this morning on the state of negotiations and perhaps the statistics relating to what is happening in the hospitals and in doctors' offices as a result of the disruption?

**Mr. Speaker:** I am not aware of any statement.

## STATEMENTS BY THE MINISTRY

### CALTRAV CORP.

**Hon. Mr. Elgie:** Mr. Speaker, yesterday between 10 a.m. and noon the director of the consumer protection division froze the assets of the travel firms registered under the Travel Industry Act that were part of the corporate holdings of Caltrav Corp.

Last night at approximately 10 o'clock the registrations of Sunflight Vacations and Skylark Holidays were suspended. In the early hours of this morning, after a series of meetings that began at noon yesterday, shareholders of Caltrav and other interested parties agreed to a voluntary liquidation of Caltrav.

Lawyers for all parties, including our ministry, will be seeking an order of the court this morning approving the liquidation and appointing a liquidator for the companies. We are optimistic that this action will succeed and the liquidators will be in place today.

Meetings commenced late last night with representatives of the Association of Canadian Travel Associations to start the process of winding down the companies, the servicing of clients and dealings with various trade suppliers. The discussions resumed this morning and will continue throughout the day.

In order to give the fullest possible picture of these fast moving events and to bring everyone up to date simultaneously, Mr. Douglas Caven, the registrar under the Travel Industry Act, will hold a press conference in the ministry offices at 555 Yonge Street at 1 p.m., in the boardroom on the seventh floor.

**Mr. Speaker:** The Minister of Agriculture and Food.

[Fault in sound system].

**Mr. Foulds:** That's his new bird call.

**Hon. Mr. Timbrell:** I'm a ventriloquist.

**Hon. Mr. Davis:** I move we adjourn until we find out what it was.

## STABILIZATION PAYMENTS

**Hon. Mr. Timbrell:** Mr. Speaker, federal Minister of Agriculture Eugene Whelan has announced that all provincial stabilization and income assurance assistance will be deducted from federal stabilization payments. I accept the federal minister's concern about different provincial stabilization levels. It has long been Ontario's position that there should be an adequate federal stabilization program for national commodities.

Provinces have been forced into stabilization programs because of the inadequacy of the federal program. In the speech from the throne we reiterated that Ontario was willing to participate in an effective long-term stabilization program for national commodities.

Having said that, I would point out that the same federal minister last year attempted to deduct provincial add-ons in a most discriminatory fashion. For example, in the case of pork, he was going to allow Quebec and British Columbia farmers to keep their add-ons. In other provinces, including Ontario, provincial payments were to be deducted from federal payments.

However, an even more important point is



that we now have Mr. Whelan stating he is going to deduct provincial payments at a time when it is obvious to everyone that the federal stabilization program is totally inadequate. As I move throughout the province, this is the message I receive from farmers everywhere.

I want to emphasize, it is this very inadequacy which gave rise to provincial top loading. There is a certain irony in Mr. Whelan threatening the provinces at a time when the provinces and the farmers are anxiously waiting for him to come up with an adequate stabilization program.

Having met with Mr. Whelan, I am inclined to give him the benefit of the doubt and assume that yesterday's announcement is the prelude to a new and better farm stabilization plan. In an effort to ensure this is the case, and to speed up help for our hard-pressed farming community, I have today contacted Mr. Whelan and my provincial colleagues to urge the federal government to convene a national meeting of agriculture ministers, the sole object of this meeting being to resolve this stabilization impasse as quickly as possible.

#### CHILDREN'S MENTAL HEALTH SERVICES

**Hon. Mr. Drea:** Mr. Speaker, on April 23, 1982, the member for Hamilton Centre (Ms. Copps) rose to report that the director of one of the Windsor area's—

**Mr. Boudria:** Mr. Speaker, on a point of order—

**Mr. Speaker:** Order.

**Hon. Mr. Drea:** Copies are being handed out to the members. I made sure the critic had it.

This involves the member for Hamilton Centre (Ms. Copps) and myself on her point of privilege. The rest are being distributed.

**Mr. Boudria:** It is not a statement. Okay.

**Hon. Mr. Drea:** Mr. Speaker, I was directed by you yesterday to do it in a statement.

**Mr. Bradley:** Don't be combative, Frank.

**Hon. Mr. Drea:** I'm not.

**Mr. Eakins:** Be a gentleman.

**Hon. Mr. Drea:** What was that?

**Mr. Bradley:** We are trying to help you. You are being cranky about it.

**Hon. Mr. Drea:** I am not. I made sure she had it.

On April 23, 1982, the member for Hamilton Centre rose to report that the director of one of the Windsor area's community residences had told her "... that he turns away 15 to 20 girls a

year who are ... at risk of imminent danger, suicidal, capable of uncontrollable violence and dangerous to themselves or others. He also estimated that 20 girls ran away last year from his facility because it is not able to provide the supervision they need."

**10:10 a.m.**

On April 23, 1982, and subsequently on Monday, April 26, 1982, I tried to correct the member but to no avail. The facts are that my regional office staff obtained specific information from Maryvale, which I will share with the House this morning.

Maryvale reported that eight girls were referred there and not accepted in 1981. Of these eight juveniles, six were not from the Windsor area. One 15-year-old was listed as turned away when her parents refused to sign the admission documents. Maryvale's report indicated that eight girls ran away.

The information provided consisted of initials, not names, to protect the juveniles involved. The girl the member mentioned in the House on April 26, 1982, was not included on that list. However, there was a girl of the same age, same general behaviour problem and the identical initials, who was sent from Maryvale to the London Psychiatric Hospital. The girl the member mentioned did not go to the London Psychiatric Hospital but was—

**Ms. Copps:** Would the minister repeat that just so everyone is clear on the facts?

**Mr. Speaker:** Order.

**Hon. Mr. Drea:** I am very clear and will keep reading, because the member is not going to like the rest of it.

The girl the member mentioned on April 26 did not go to the London Psychiatric Hospital. She was sent to Twin Valleys School by the Roman Catholic Children's Aid Society for the County of Essex in Windsor, into whose care she had been placed. This was after she had been apprehended by the police and placed in secure detention under the Child Welfare Act until disposition.

The court's disposition was that she be made a ward of the children's aid society for six months. This court disposition had the consent of the parents although, as of today, the father wants his daughter removed from this facility.

Some additional details of this case are that there was a family disagreement over the girl being compelled to enrol in a Catholic boarding school, so the family took her to a children's mental health centre, Maryvale, where she was

admitted at their request on November 12, 1981; not February 1982 as has been claimed by her father. The province paid the bill.

The girl ran away six times in the next six weeks. She ran away three more times in 1982 and was finally apprehended by the children's aid society and the Windsor police on March 11, 1982.

On March 16, 1982, a show-cause hearing was held in family court at which time all in attendance, including the girl, her counsel, her parents, representatives from Maryvale and the children's aid society, agreed she should remain in the society's care. On March 31, 1982, with the agreement of her parents, she was sent to Twin Valleys School, a children's facility where, after an initial period of settling in, she is extremely happy.

These are the facts on this matter and I am grateful to have the opportunity to set the record straight once again and in an orderly fashion.

**Ms. Copps:** Frank, you look cute when you are apologetic.

**Mr. Speaker:** Order.

**Hon. Mr. Drea:** On a point of privilege, Mr. Speaker: I am not apologizing to the member for Hamilton-Centre for anything. She has been wrong since the very beginning. She was suckered and made a fool of and she is still there.

Interjections.

**Mr. Peterson:** There is no question about who won that one.

**Ms. Copps:** He doesn't even know what facility she is in. It is incredible. The minister is completely, monumentally misinformed.

**Mr. Speaker:** Order.

## ORAL QUESTIONS

### ONTARIO ENERGY INVESTMENT

**Mr. Peterson:** Mr. Speaker, I have a question for the Minister of Energy. I am sure the minister is aware that Suncor has declared dividends of some 20 cents a share for this quarter while earnings for the same period were reported at two cents a share. Obviously the company is dipping into its equity in order to pay that dividend. Is it the minister's policy to strip the equity of that company in order to justify the ill-advised purchase he made some little while ago?

**Hon. Mr. Welch:** Mr. Speaker, I assume the honourable member's reference is to the same company that was quick to send some \$2,000 to

him for the Peterson dinner. I am surprised he would question their judgement.

I am sure the member would understand that this is a private company. The board of directors of that company is making its own decisions on the basis of information it has in the confidence of the long-term optimistic future of this company, strengthened as it is by the investment of part ownership by the people of Ontario.

**Mr. Peterson:** Indeed it is the same company that had the wisdom to contribute to the party it will find as its employers after the next election. I admire these people. I should say employers for a day or two before we divest, but at the same time one has to give some credit to the management for respecting integrity and principle in politics.

**Mr. Speaker:** Now for the supplementary.

**Mr. Peterson:** Some small credit. I do not blame them. I blame those people over there.

I want to ask the minister about the dividend policy. That company had never declared a dividend for 62 years. As the minister knows, they took out a dividend of some \$78 million the day before the deal closed. Now it appears that in order to justify the purchase, the government's policy is to take out more by way of dividends than the company is earning.

What does that do to the government's projections with respect to the viability of that project? What kind of economic return will that develop for the province over the next few years?

**Hon. Mr. Welch:** Surely references to the honourable leader and his party being the employer of this company after that particular date to which he has referred, which is very wishful thinking anyway on his part, would indicate that perhaps they are thinking in terms of the long-term advantages of this investment.

By virtue of his professional training, the member knows that the responsibility for the declaration of dividends remains with the board of directors. They have access to all sorts of information with respect to the vitality of this company.

The member knows that the repairs required as a result of the fire will be soon be completed, and the other activities in both exploration and indeed the expansion in the synthetic oil field, all of this information is relevant to any board as it makes decisions about its dividend policy. One has to have confidence in the board of



directors, armed as it is with all that information, making such a decision.

**Mr. Foulds:** Mr. Speaker, can the minister tell us whether the Ontario Energy Corp., as a major shareholder in that company, agrees with what appears to be the direction the board of directors wants to go with diversification and the Canadianization of the company so that the additional 26 per cent of the shares it hopes to Canadianize will be dispersed among a large number of individual or small investors?

Does he realize if that happens it will ensure that the benefits, the control and the dividends of that company will continue to flow to the United States instead of to here in Canada?

**Hon. Mr. Welch:** Mr. Speaker, I have listened carefully and I have heard nothing that would alter the basic reason for the involvement of the government of Ontario; namely, to facilitate the Canadianization of the company, meeting all the criteria which that particular concept requires. That is what we are working to accomplish and, following the accomplishment of that, to be able to take advantage of the various incentive payments which would be available as a result.

**Mr. Peterson:** I want the minister to know that we had the foresight to cash the cheque to our party before the dividend was declared, just in case. I want to ask him, in his attempt to facilitate—

**Hon. Mr. Davis:** Have you sent it back yet?

**Mr. Peterson:** We will keep it. We are not proud, although I should tell the Premier we are not doing all that well with the car dealers at our dinner.

**Mr. Speaker:** I am waiting patiently for a supplementary.

**Mr. Peterson:** It is obvious that in the minister's plan to Canadianize that company he is running into very severe roadblocks. Brascan has rejected it, as well as a lot of other respectable energy and financial institutions in this country.

I would like to know (a) what progress is being made by the minister in his long-term plan to Canadianize that company, and (b) are there any other partners who are willing to invest in that company to assist in bringing over 50 per cent of it into Canadian hands?

10:20 a.m.

The latter part of my question is this: I was asking the minister originally about Ontario's investment, not the policy of the board of directors. How do these very low profits—\$1

million in the first quarter, down from \$26 million or \$27 million a year ago, down substantially from two years ago—affect Ontario's view of the return on investment from the point of view of Ontario's participation?

Obviously the minister is losing a great deal of money on this purchase at the present time. When does he expect a recovery? When does he expect some sort of return to the taxpayers of Ontario to pay for that company?

**Hon. Mr. Welch:** I can go to the latter part first. Number one, Ontario still sees its investment here as a good long-term energy investment. The member knows this very well.

He has to be fair, when he appraises this situation, and recognize the peculiar and unique situations in the immediate term with respect to the fire, with respect to the fact that the world price of synthetic oil just kicked in on the first of this year and with respect to a number of other issues that are not unique to Suncor but are being experienced by other companies doing similar business.

I assume on the basis of the first part of the question that the member would understand, I repeat, that dividend policy would be a decision made by the board of directors.

Third, a number of options are being explored with respect to completing the Canadianization process.

**Mr. Peterson:** It is no wonder that the Treasurer (Mr. F. S. Miller) refuses to answer questions on this subject.

Interjections.

**Mr. Speaker:** Order.

#### McMICHAEL CANADIAN COLLECTION

**Mr. Peterson:** May I ask a question of the Minister of Citizenship and Culture? I do not believe he has had a question with respect to the McMichael Canadian Collection, and I want to honour him with one.

The minister is aware that the gallery had planned to do a tour to some 11 museums in the midwestern United States; in fact, certain contracts have been let and plans have been made. Preparations were in a good state for a tour for that gallery of a number of states in the United States of, as I understand it, 45 of the major works in that particular exhibition.

Now this tour has been peremptorily cancelled by the director. Does the minister not feel that the reputation of McMichael is going to suffer even further with the unilateral cancellation of that tour? There are other people who



want access to those paintings who have a lot less space than the McMichael gallery and the board.

**Hon. Mr. McCaffrey:** Mr. Speaker, when we discussed third reading of the bill in here one evening last week the member for Nickel Belt (Mr. Laughren) made the point that more tours should be done inside and outside the country. I think his expression was, "Why do we not have an 'art in a cart' exhibit?"

I subsequently did find out that beginning in May there are a number of tours of the McMichael gallery exhibits in our own province, in Kenora, Timmins, Sault Ste. Marie, etc. I was under the impression that tours outside this jurisdiction were also planned; the member says they have been cancelled. I am not aware of that, but I will check on it immediately.

**Mr. Peterson:** I will draw to the minister's attention some correspondence from Mr. Bell, the executive director of the collection, to the co-ordinator of the American tour. On February 18, 1982, Mr. Bell wrote, "I wish to assure you that the McMichael Canadian Collection will honour its commitment to you with regard to the proposed travelling exhibition you have been discussing with the previous director."

On April 8, 1982, Mr. Bell wrote: "There has been, if you don't know, a huge public outcry about the renovations and a debate and committee hearing in the Ontario Legislature surrounding the affairs of the collection and the fate of the McMichaels. Need I say more than we as an institution are under extreme public scrutiny.

"Under these circumstances it would be foolish to bait the public's possible criticism by shipping the highlights of the collection to the United States at the time and for the length of time you have proposed. There would be public criticism which I am not prepared to risk at this time."

Can the minister explain how he expects anyone to have confidence in the management of the collection when there is such an about-face of policy in such a short space of time?

**Hon. Mr. McCaffrey:** I am not sure I can explain it. However, to the extent that the planned trips and exhibits within Ontario may have precluded trips outside the province for some of the exhibits, I will check into that. Whether it was an either/or situation, I do not know.

I do know that the trips from the McMichael gallery to the regions of Ontario I just men-

tioned from May to June of this year, some half dozen centres such as Sault Ste. Marie, Timmins, etc., are on. I will check if that means they could not do both.

**Mr. Peterson:** As the minister will probably learn, these discussions have been going on for two years and, as I understand it, the tour was to involve only 45 paintings, not a major percentage of that collection. It looks to me as if there has been a major change in policy in that short space of time. Will the minister take these facts into consideration in his determination and report back to the House?

**Hon. Mr. McCaffrey:** I will undertake to have an answer before the end of question period.

### FREEDOM OF INFORMATION

**Mr. Foulds:** Mr. Speaker, I have a question for the Attorney General. The prodigious Canadian Bar Association study by Professor Murray Rankin has knocked down the house of cards of the minister's objections to freedom of information legislation.

I quote from the report, "It is our conclusion that, although certain minor amendments to Bill C-43 may be desirable, there is no compelling reason contained in the McMurtry letter to justify either abandoning this legislative initiative or further delaying this important reform."

Will the minister now withdraw his objections to the federal freedom of information legislation, and will he now release his Provincial Secretary for Justice (Mr. Sterling) from his obvious shackles and proceed immediately with freedom of information legislation here at the provincial level?

**Hon. Mr. McMurtry:** Mr. Speaker, I have not read the report to which the acting leader of the New Democratic Party refers. The course of the federal legislation is a matter for the federal cabinet. As I said the other day, I find it somewhat flattering that the Canadian Bar Association would suggest that the Attorney General of Ontario dictates to the federal government the course of its legislation. It is somewhat naive, to put it mildly.

What we suggested some time ago was uniform legislation, which I still think would be the proper course because the exchange of information between governments is obviously basic and of fundamental importance to effective government in this country. The exchange of information between law enforcement agencies in this country and elsewhere is of crucial importance in maintaining a reasonably effec-



tive level of law enforcement. From what I know of the report, this seems to be a fact that has escaped the good professor altogether.

Having heard the concerns of law enforcement agencies across this country over the past several years, we are concerned and we are looking for legislation that is not going to undermine the effectiveness of law enforcement in this country. We are concerned that critical information, exchanged on a day-to-day basis, will dry up. This is a concern of senior law enforcement officials across the country. This is simply a matter, among other things, that we suggested the federal government should consider.

This is an issue I know is of great interest to the Provincial Secretary for Justice of this province and we are interested in introducing responsible legislation that serves these crucial interests. To suggest we are in any way delaying the process for reasons other than those I have touched on, of course, is to miss the point altogether.

10:30 a.m.

**Mr. Foulds:** Does the minister not realize he is no longer the Solicitor General but simply the Attorney General and he has a responsibility to the individuals of this province as well as to the law enforcement agency? Does he not agree that the study done by the Federal Bureau of Investigation, which was very detailed, indicated that only 19 cases out of 7,000 were in any way affected by their freedom of information legislation?

Is it not about time he stopped his Mackenzie King-like attitude of postpone, postpone, delay, piling a royal commission on top of a parliamentary inquiry, on top of delay by the Provincial Secretary for Justice? Does he not think an individual in this province has the right to the information that the government has accumulated on him?

**Hon. Mr. McMurtry:** It may come as a great surprise to the member to know that the Federal Bureau of Investigation is not a law enforcement agency in Canada. He might learn something from this.

The Attorney General has continuing responsibilities with respect to the integrity of law enforcement and the administration of justice in this country. If the member really wants to know what the individuals of this province are thinking and what their concerns are, one of their major concerns is the maintenance of effective law enforcement, which obviously

from his statements he would not hesitate to undermine.

**Mr. Breithaupt:** Mr. Speaker, since my question to the Provincial Secretary for Justice on this same subject last week evolved into a response that policy had not as yet been decided upon, can the Attorney General advise us whether a freedom of information bill dealing with provincial concerns will be brought into this House during this session, whether or not the federal government proceeds with a uniform bill that the Attorney General might prefer?

**Hon. Mr. McMurtry:** Mr. Speaker, the member has just pointed out that the Provincial Secretary for Justice has carriage of this legislation. He is consulting with his colleagues and will continue to consult, but he does have carriage and I think that question should be directed to him.

**Mr. MacDonald:** Mr. Speaker, the Attorney General is correct, the FBI is not the enforcement agency in Canada but the Canadian Bar Association happens to have some relationship and knowledge of the whole area.

Is the Attorney General aware that the study the Canadian Bar Association released says it "not only responds to Mr. McMurtry's Constitutional concerns but also the myth"—I repeat, the myth—"that freedom of information would undermine police attempts to recruit sources"?

In other words, will the Attorney General quit perpetuating myths and bring in freedom of information legislation here that will not have the incestuous quality of going back to the cabinet for the final decision?

**Hon. Mr. McMurtry:** Mr. Speaker, my advice to the Canadian Bar Association would be simply to retain the services of professors who have some understanding of law enforcement in this country.

#### BUY-BACK PROGRAM

**Mr. Foulds:** Mr. Speaker, I have a question for the Premier, in the absence of the Minister of Industry and Trade.

Can the Premier explain how his Minister of Industry and Trade can claim in his speech on April 1 that the Ontario government buy-back of foreign companies program is a success when only nine out of 60 companies have been saved by that program and only one out of 10 jobs lost by closing of foreign firms has been saved by the program?

**Hon. Mr. Davis:** Mr. Speaker, as I recall the program when it was announced—and I know he acting leader or the leader who is some days an actor, or deputy leader or whatever terminology, would only want us to invest taxpayers' moneys in viable companies—one of the criteria for the buy-back or the involvement of the government of Ontario is that those companies have a viable opportunity to succeed.

I cannot give chapter and verse of each individual case. I am sure the minister would be delighted to do so but that is one of the criteria which I think has some application on the statistics the member has mentioned.

**Mr. Foulds:** Does the Premier not realize that his defence lays bare the whole problem of foreign ownership in our economy if they are not able to compete, which is essentially what he is saying?

I am glad to see the former Minister of Industry and Tourism is now prompting the Premier on the question. Does the Premier realize that the ministry officials estimate that there are 2,000 companies that are threatened, that are at risk and that it is predicted will probably close over the next five to six years? At the rate of success that the government has in salvaging those companies, it will take 400 years to re-acquire the companies and the jobs that will be lost over the next five to six years.

**Hon. Mr. Davis:** It will not take 400 years.

**Mr. Sweeney:** Mr. Speaker, if the Premier is indicating that the government is only prepared to engage in the buy-back program for companies that are deemed to be successful in the future, what criteria does the Premier's government use to make that particular decision? In what sense are we looking at companies of the future as well as companies of the past?

**Hon. Mr. Davis:** I do not really understand the last part of the question: To what extent are we looking at companies of the past vis-à-vis companies of the future? We are looking at companies that we think have some legitimate opportunities to succeed. They may have a past record or they may not. The criteria depend on each individual case.

**Mr. Peterson:** You know what you are doing. You are doing an Admiral on Suncor, that is what you are doing.

**Hon. Mr. Davis:** I would say to the major recipient to date of Suncor's investment that he should be very quiet. I cannot say how encouraged I am, first, that he has publicly said he will keep the money and, second, that he makes the

prediction that when he becomes Premier, which will never happen, he will become the employer. That means he has now committed himself to 51 per cent of Suncor. That is a great turnabout. The member is following his former leader. He followed him for four years trying to destroy him and now he is adopting the same approach.

**Hon. Mr. Grossman:** I wouldn't say he followed him.

**Mr. Bradley:** Now, back to the question.

**Hon. Mr. Davis:** I would say to the member for St. Catharines, who loves to interject when there are interjections, that I want to accommodate those who interject. I feel they have relevant points they want to make.

I would say to the member for Kitchener-Wilmot that the criteria do vary with individual cases but we do retain or ask outside consultants who have some knowledge in that particular business or industry to give us their assessment. It is not just done internally within the ministry.

**Mr. Foulds:** The Premier will no doubt be aware that his minister indicated that, as well as the announcement in the throne speech, there will be "a refinement" of the government's buy-back program. Can he assure us that the Treasurer's (Mr. F. S. Miller) budget will contain the \$100 million that will be necessary annually to fund that program if there is any chance of saving the companies and the jobs that will go down the drain because of foreign ownership?

**Hon. Mr. Davis:** It has been the tradition and it will continue to be the tradition that there will be funds available for those projects or companies that can be assisted. That makes sense. If we look at the Volkswagen deal, which the member perhaps did not agree with, it was very relevant. It will produce a great deal of economic activity in the Barrie community and the surrounding areas of Simcoe county. I know that upsets the member, but we think it makes great economic sense.

**Mr. Foulds:** I like Simcoe county.

**Hon. Mr. Davis:** The member likes Simcoe county? He does very well in Simcoe county.

**Mr. Foulds:** Yes. I did. It was one of the few areas that I did.

**Hon. Mr. Davis:** I know how well he does in Simcoe county.

I am not in a position to say what is going to be in the budget. The member will have to exercise the same measure of patience as I shall have to



exercise and look forward to eight o'clock on May 13 to sit and listen for the first time to what the Treasurer may have in that very important document.

#### RACCOON DOG FARM

**Hon. Mr. Timbrell:** A number of weeks ago, the member for Hastings-Peterborough (Mr. Pollock) asked me a question with respect to a fur farm in the Madoc area to which the proprietors had imported a species of animal known as Finn raccoons. I undertook at that time to have our staff in the Ministry of Agriculture and Food pursue the matter.

**Mr. Peterson:** It took you four months to respond.

10:40 a.m.

**Hon. Mr. Timbrell:** I have only been minister for 11 weeks. I do not know where the member has been. He must have been working with the Gregorian calendar.

At any rate I am happy to report to the honourable member that my staff have reported to me that a tentative agreement has been reached between the owners of the fur farm and Environment Canada. The federal government has apparently agreed to provide compensation and transition expenses to the owners, in return for which the latter have agreed to pelt all of the Finn racoons between December 1 and December 31, 1982. After that point the fur farm will continue to operate with ranch-raised fox.

#### DREDGING CASE

**Mr. Conway:** Mr. Speaker, my question is to the Premier. Having regard to the just concluded discussion about freedom of information in which we were reminded as we always are about the Tory invitation to keep the promise, I wanted to ask the Premier a question concerning a matter I raised on a couple of earlier occasions in this session. It has to do with the promise he made to this assembly almost five years ago, I believe in July 1977.

The promise the Premier made on that occasion was that he would make available the private report of former Ontario Justice Campbell Grant concerning the matters which arose out of certain disclosures from the diary of Mr. Harold McNamara pertaining to various contracts of Ontario Hydro.

Having regard to the fact that the two principals, Mr. McNamara and Mr. Cooper, have not only been sentenced, but in fact have now been released, can he indicate when and how he

intends to keep the promise to this assembly by releasing that particular report of the former Justice Campbell Grant?

**Hon. Mr. Davis:** I think the member for Riverdale (Mr. Renwick) raised this. I will once again discuss it with the Attorney General. I think the honourable member is aware that while the trials of two of the people involved have been dealt with and are finalized, I cannot tell him how many, perhaps it is two or three cases, are still in process.

**Mr. Conway:** The Premier has drawn that to our attention on a number of occasions. I think we in the opposition have been patient and responsible. We have waited five years. It does not appear to me that an additional period of waiting is in order. Why are we being stalled on this important matter? Can the Premier give us any justification for this stonewalling? Can he indicate why the people of this province should not believe that this in fact is a cover-up of important public material?

I would like to know when the Attorney General is going to advise the Premier, and when the Premier intends to advise this House, that this report can be made available so that those of us who accepted the Premier's statement of July 1977 in good faith, can continue to live with it in good faith and the expectation that some day that promise will be kept.

**Hon. Mr. Davis:** Mr. Speaker, I do not want the honourable member to become too exercised because if he will recall what I said in the statement, and I am only going by memory, I indicated—not as to the personalities involved or anything of that nature—that former Justice Campbell Grant made it quite clear that there was nothing inappropriate. I just wish the member would remind people of that particular part of the statement, which I think is relevant.

We are not stonewalling anything. I am guided by the Attorney General and I am interested that the proper process is followed. I can only assure the member that when that report is released, I am sure he will share, with me, the pleasure of reading its contents. It may disappoint him.

#### COLE CASE

**Mr. Renwick:** Mr. Speaker, my question is for the Attorney General. On the evening of April 20, I had occasion to watch the segment of the Canadian Broadcasting Corp. public affairs program related to the circumstances surrounding the case of the crown versus Derrick Cole. I

am sure the Attorney General is quite familiar with that case as he entered a stay of proceedings, which has now become permanent, denying Mr. Cole a new trial on a charge of murder.

In view of the fact that Mr. Cole spent some three and a half years in prison before the court of appeal ordered the new trial and before the opportunity arose for him to be released, would the Attorney General, in the special, particular and singular circumstances of that case, consider paying compensation to Mr. Cole for the injustice he has suffered?

**Hon. Mr. McMurtry:** Mr. Speaker, the question raised by the member for Riverdale is obviously important. It has very broad implications, relevant as they are to Mr. Cole.

The reasons for not proceeding with this case are not consistent in my view with the member's statement that an injustice was perpetrated. There are many legal reasons for not proceeding with a particular prosecution that are obviously quite unrelated to the fundamental concepts of justice, those of guilt and innocence. These cases come up from time to time. For example, when people have spent a long time incarcerated prior to trials which occasionally lead to convictions, the question arises as to whether there should be some form of compensation.

I have always adopted the view that, to justify compensation in these circumstances, there should be some process or mechanism by which a properly constituted tribunal could make a determination of the probable innocence of the individual as opposed to the inability of the crown to establish the case beyond a reasonable doubt.

I have discussed this issue on many occasions with members of the defence bar. Interestingly enough, the defence bar has demonstrated little interest in this concept. Before we seriously consider compensating people in these circumstances, there has to be some form of hearing to establish that an injustice was done. I did not see the Canadian Broadcasting Corp. segment. I had heard about it but in my view there has to be some tribunal to determine in these circumstances the probable innocence of the individual involved.

**Mr. Renwick:** I trust the Attorney General will recall that I used the term, "special, particular and singular circumstances of that case." I am not entering into a general discussion of the question.

In the light of his reply, will he now review again the four reasons why the Court of Appeal

of Ontario directed a new trial in the case and why he entered the stay of proceedings which is now permanent, based upon the evidence of Judge Rice taken in Jamaica which made it quite evident that, had a new trial proceeded, Mr. Cole would in all probability have been acquitted of the offence? Will the Attorney General review each and every piece of the proceedings in that case and will he make them available to us here in the assembly? Will he deal with the question of compensation for this particular injustice with an open mind?

**Hon. Mr. McMurtry:** At this moment, I do not recall each and all of the details of the case. I will certainly review the details of this particular case. I would like to share much, if not all of this material with the member for Riverdale and other members of the House who may be interested. I am quite happy to make that undertaking. Not being familiar with all the documentation, I cannot make a blanket undertaking at this time, but I hope there will be nothing I would be unable to share with the member for Riverdale.

**Mr. Breithaupt:** Mr. Speaker, I wonder if the Attorney General might consider that the development of a procedure to deal with instances like this might well be a function of the Criminal Injuries Compensation Board since it attempts in a somewhat judicial way to come to a conclusion as to the value that should be paid by the public of Ontario for injuries that might have occurred to individuals in the course of crimes being committed. Perhaps if the Attorney General would seek the board's views as to how this procedure might be in place for cases of this type, there would be a way of dealing with this particular problem.

10:50 a.m.

**Hon. Mr. McMurtry:** Mr. Speaker, I certainly welcome any continuing discussion in this area. The criminal injuries compensation concept is an interesting one. I think most commentators have generally come to the conclusion that, if we were to attempt to provide compensation in cases where the person is probably innocent—and I think most people agree there would have to be some determination of that—probably the best way to do it would be to institute a further finding by the jury or by the trial judge. For example, I believe Scotland has the "not guilty" verdict and the "not proven" verdict. There might be some usefulness in that approach.

As I say, the general issue is one I have been interested in for some time and I have always



been happy to encourage public discussion. Curiously enough, there has been relatively little interest in this initiative coming from the defence bar. I mention this fact because they are the individuals in the community who are most knowledgeable about what is happening in our courts on a day to day basis.

#### WATERMAIN CONSTRUCTION GRANT

**Mr. Ruston:** Mr. Speaker, I have a question for the Minister of the Environment (Mr. Norton) regarding a watermain construction grant to Rochester township. The minister's predecessor approved this grant of \$969,000 on March 20, 1981, and the Ontario Municipal Board approved it on the basis of the provincial grant. Now the minister's officials have sent a letter to the township saying that instead of being entitled to \$969,000, it will only be entitled to \$90,000. The township has already called tenders and is ready to accept the lowest tender. What can the minister do to alleviate the situation the ministry has put the township in?

**Hon. Mr. Norton:** Mr. Speaker, I do not know that there is a great deal I can do at this time on that particular matter. There have been some preliminary discussions, I understand, between the head of the legal services branch of my ministry and some of the people from the municipality, explaining to them how the error that has now come to light, was made. We have certainly not made any pretence of denying the fact that there was an error. It was a very substantial one in terms of the calculation.

The municipality was also advised, as I understand it, by the head of our legal services branch that it ought to bear that in mind in considering whether it wishes to proceed any further with the tenders it has called. It is my understanding that it is not proceeding at this point. I think that is the wise thing to do until the matter is further sorted out.

Obviously, it is not a very pleasant situation for anyone to discover that an error of such magnitude has been made. But I might say it is fortunate it was discovered now rather than after the municipality had entered into any further commitments. We will be discussing the matter with the municipality in an effort to try to find a resolution that will enable it to proceed with the project, if at all possible. But I do not think anyone would advocate that because a year and a half ago someone made an error in a calculation, just because we are handling public funds we should ignore the fact there was an error of almost \$1 million in that calculation.

**Mr. Ruston:** If there was an error a year and a half ago, why did the minister not go before the Ontario Municipal Board and advise the board at its hearing that there was a problem so that at least it would have known? And is it an error or is it a change of the ministry's rules and regulations?

**Hon. Mr. Norton:** Mr. Speaker, I can assure the honourable member that it is not a change in any policy or regulation within the ministry. It was clearly an error in calculation on the application or in the formula for calculating the level of the grant for which that municipality was eligible. The reason that it was not brought to the attention of the Ontario Municipal Board at the time of the hearing was that no one was aware of it at the time. In fact, that error was very recently discovered and brought to my attention.

#### PSYCHIATRIC HOSPITALS

**Mr. Philip:** Mr. Speaker, I have a question for the Minister of Health, if I can get his attention. Has the minister yet had an opportunity to consider the rather serious issues raised by the Etobicoke Mental Health Services Agency in a letter to him of April 1? This letter suggested that after the closure of the Lakeshore Psychiatric Hospital, the resources of the two general hospitals in Etobicoke were already strained. Is the minister now prepared to expand the number of psychiatric beds at the Queensway General Hospital and the Etobicoke General Hospital? Is he also prepared to maintain the secondary care at the Queensway, since this is obviously needed and is pointed out in this letter?

**Hon. Mr. Grossman:** Mr. Speaker, as the member knows, all of those things are being looked at by the ministry and, as he also knows, I am most concerned about the question of psychiatric facilities in that part of the city. We are obviously in the process of undertaking certain initiatives, which I hope will be completed shortly. In part, they will reflect, I think, the good work of Dr. Heseltine and as well the early decisions made by Dr. Malcolmson at the Queen Street Mental Health Centre and the working committee under Sister Janet Murray.

All of these things are coming together to enable us to make some decisions with regard to psychiatric facilities in that whole part of the city and the whole catchment area. So those things are all under review. None of the issues the member has raised will be addressed in isolation. However, these issues will be addressed in the next couple of months.



**Mr. Philip:** Would the minister give us some indication of when we will have the results of these deliberations and considerations? Would the minister also inform us whether or not the re-establishment of a security treatment unit in Etobicoke is being considered? Can he give us some idea of specifically what proposals are being examined to expand the community-based mental health support services in the borough of Etobicoke?

**Hon. Mr. Grossman:** That would require a very lengthy answer, which I am prepared to provide in writing in a letter. I am meeting with Sister Janet Murray next week to review the status of her committee. I know she is coming in with some specific recommendations at that time, which is why she wants to see me next week. Second, Dr. Heseltine's report will be out in May, so we are looking at a fairly short time frame.

**Mr. Sweeney:** Mr. Speaker, given the fact that in many communities in this province—Toronto is one that has received a lot of publicity, and my own has received some very lately—there is a large number of ex-psychiatric patients who have no place to go in the communities, is the minister reviewing the practice of the psychiatric hospitals—or of this minister, whatever it happens to be—of releasing these people when in fact there is no place for them to go?

**Hon. Mr. Grossman:** Mr. Speaker, if to any extent there is a perception that we are confining our studies and works to the situation surrounding the Queen Street Mental Health Centre I want to assure the member and those from other parts of the province that, as I said very directly in my speech yesterday morning, the problem is not confined to the Parkdale area or to the Toronto area but is spread throughout many communities in the province. Therefore, we are studying the whole situation with a view to making sure that deinstitutionalization does not occur without the proper community infrastructure and support. That is not going to happen.

11 a.m.

#### FARM ASSISTANCE ADJUSTMENT PROGRAM

**Mr. McGuigan:** Mr. Speaker, my question is to the Minister of Agriculture and Food. In view of the fact that the Ontario Federation of Agriculture in its submission to cabinet and to the minister on Wednesday confirmed the inadequacies of the farm adjustment assistance

program, will the minister amend this program immediately to make deferred interest and new lines of credit eligible for interest assistance, which will at least go part way to meet the recommendations of the ministry-appointed Action Committee?

Will he give a commitment to extend this program to next year? As the minister knows, a good many bank managers are reluctant to carry out their function in the program because they say it is only for one year; they consider it hardly worth their effort. It is a big stumbling block.

**Hon. Mr. Timbrell:** In point of fact, Mr. Speaker, we do not know, nor does the honourable member, that a great many bank managers are reluctant. One hears these rumours, and every time I hear the rumour and every time I hear that sort of statement made here, I say to members: "Give me specifics. Give me names. Give me names of branches. Give me names of farmers who are involved." But I never get them from members over there. I have yet to get one. I am sorry; that is not true. I got one from the member's colleague the member for Grey (Mr. McKessock) about a bank manager in Grey, and I think we got that straightened out. If the member knows specifics, I ask him to give them to me.

With respect to the development of the farm adjustment assistance program, I remind the member that the program is based almost verbatim on the report that was signed by, among others, the president of the Ontario Federation of Agriculture. The program was developed on the assumption that the federal government would ensure that the Farm Credit Corp. was able to meet the credit needs of the farm community in 1982.

As the member knows, in recent years the Liberal Party in Ottawa has gradually diminished the role of the FCC to the point where last year, I believe, we ended up with about \$125 million in Ontario. To his credit, the federal minister has promised repeatedly that by June there will be \$1 billion of credit available to the FCC. We are glad to hear that. But we have not seen it yet, although the promise has been made several times. Assuming that promise is kept, then a great many of the problems facing the farm community will be addressed.

With respect to this program, it is intended to be a one-year program based on those assumptions. I said to the federation at our meeting on Wednesday, and I have said publicly on a number of occasions, that if the federal gov-



ernment lets us down completely, then obviously we are going to have to take stock again of this program and all our programs to see where we go from here. At this point, there are no plans to extend it to 1983, nor are there plans to change the program beyond the changes I made about six weeks ago by extending the criteria to embrace a great many more farmers.

I remind the member that the three options are aimed at specific types of farm credit problems. They can be used in combination, albeit not in the same amount of money. In some cases, all three options have been used by an individual farmer, but in different amounts of money. So I think it is being applied in a rather flexible way.

If we could just get the co-operation of the people directly opposite to assist us in ensuring that we get the co-operation that has been promised by the federal government, that would go a long way towards relieving some problems.

**Mr. McGuigan:** Certainly we will co-operate in every way, but even if the federal government does come through with the \$1 billion—which I hope it will, because I understand this money would represent about 60 per cent of the amount of credit needed for farming—does the minister not realize that farmers are just not in the position to pay an interest rate of 16.5 per cent?

I think the minister will agree that, with the Alsands project and another multibillion-dollar project being decided today, we are going to face high interest rates for many years to come. The agriculture industry of Ontario, even more than the agriculture industry in other parts of Canada, cannot bear the cost of interest rates that high. Therefore, the only hope we have lies with this government.

**Hon. Mr. Timbrell:** It is an interesting statement, that the member has given up on the government of Canada. Let the record show that the honourable member is nodding his head; he has given up on the government of Canada.

Let there be no doubt, as was said to the federation on Wednesday, that we will do our share; we have already indicated that with the \$60 million we put into the farm adjustment assistance program, the \$60 million we put out on beef and hogs in 1981, the commitment to develop a new program for beginning farmers, the commitment of this government to contribute not only to the design but also to the financing of a national tripartite stabilization plan. We are prepared to do our share but we

cannot do it all; we need the co-operation of the federal government.

### NONRESIDENT AGRICULTURAL LAND OWNERSHIP

**Mr. MacDonald:** Mr. Speaker, I have a new question for the Minister of Agriculture and Food. We might as well keep him busy.

Since it is five months since the conclusion of the December 1 tabulation of foreign ownership of land in accordance with the requirements of the nonresident registration legislation that was passed in this House, will the minister explain why we have not had a final report to supplement the interim report given in December as to exactly what was found out?

Will the minister now accept that, whatever he found out, if it is in line with the interim report it is already totally discredited by information from many counties where there are thousands of acres of differences from his interim report survey? What is he going to do to come to grips with this issue after literally years of procrastinating in one way or another?

**Hon. Mr. Timbrell:** Mr. Speaker, I have had that report updated to the end of March. I am preparing a submission to my cabinet colleagues, giving them the figures and indicating to them what I think would be an appropriate position for us to take on the matter. Once that has been reviewed with my cabinet colleagues, I will be making a statement; and, as I indicated to the Ontario Federation of Agriculture on Wednesday, I anticipate that will be before the end of this session.

**Mr. MacDonald:** The minister will be aware the figures that emerged from the rural development outreach project are totally different from the figures in his interim report. Is he persuaded that something was wrong in the methodology of his survey so that it simply does not represent the reality?

**Hon. Mr. Timbrell:** I anticipate dealing with that aspect in my remarks before the end of the session. I am aware of the calculations of the group at Guelph as compared to the reports we have had, and I will deal with that matter in my statement as well.

### SALES TAX REBATES

**Mr. Eakins:** Mr. Speaker, I have a question for the Minister of Tourism and Recreation. Is the minister aware that, in an apparently desperate move to hold on to every last cent of revenue in the province, the Ministry of Reve-

nue is no longer making available to retail outlets or to tourists the convenient information brochures on the seven per cent sales tax rebate on goods taken out of the province within 30 days?

If the minister is aware, has he informed the Minister of Revenue (Mr. Ashe) or the Treasurer (Mr. F. S. Miller), who may have initiated the change, that this served as quite an incentive to tourists making purchases in Ontario?

**Hon. Mr. Baetz:** Mr. Speaker, I was not aware of that. Since it has been drawn to my attention, I will communicate with the Minister of Revenue.

**Mr. Eakins:** Does it not concern the minister that the tourism sector has been hit with a double blow this year with the reimposition of the accommodation tax and, in effect, the loss of the sales tax rebate on goods taken out of the province within 30 days since people cannot get the information they need?

A number of people in Metro Toronto are complaining that these brochures are not available. Even in the Ontario travel office, across the street, they are kept under the counter like a censored book and are only available on request.

**Hon. Mr. Baetz:** As I indicated in response to the original question, I will be taking this up with the Minister of Revenue.

11:10 a.m.

#### CALTRAV CORP.

**Mr. Swart:** Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations on the report he tabled this morning relative to the deregistration of Sunflight Vacations and Skylark Holidays. The minister will agree that was a very barebones report he gave. He must have some substantial information on the basis of which the freezing and the liquidation were initiated. Can he tell the House whether it is likely people are going to be hurt? If so, what class are they and how many?

**Hon. Mr. Elgie:** Mr. Speaker, I want to assure the honourable member first that there was no intent to deprive the House of any information. As I am sure he knows, there have been a lot of things going on over the past 24 hours. Let us speak quite candidly here. Staff and members of the travel industry have been virtually up all night on these issues, and they are still working on it. I am not trying to withhold information, but things are still in quite a state of flux.

However, let me say that the travel industry, as it has in other events, has come together

remarkably well and now is assembling a group to endeavour to work out arrangements, whatever they may be, with respect to all of the people who are away on flights and vacations already and those who have planned. I cannot say what the final arrangements will be. I just cannot do that. I will as soon as the information is available. We hope that much more information will be available by the time of the press conference at 1 p.m. today, but it just was not available to me at the time I came to the House.

**Mr. Swart:** Can I simply ask whether the travel industry compensation fund will be applicable to all these travellers and to all those who have paid for their tickets to provide compensation in full?

**Hon. Mr. Elgie:** The travel industry compensation fund, as the member knows, does apply to these cases. There is a limit on the fund. I believe the maximum in any event is something in the neighbourhood of \$1.2 million. I cannot say at this time whether there will be 100 cents paid on the dollar, because we do not know what the assets remaining in the two suspended companies will be. Let me assure the member that our staff and all members involved in this will be endeavouring to make sure there is a substantial, if not 100 per cent, recovery; but I just do not know that information yet.

#### USE OF HEROIN IN CANCER TREATMENT

**Mr. Bradley:** Mr. Speaker, I have a question for the Minister of Health. As the minister is aware, a significant number of people in the province have expressed the view that the drug known as heroin should be licensed for medical use to stop what newspaper columnist Dr. Kenneth Walker refers to as the "torment of the final throes of terminal cancer and patients who are allergic to morphine, or for whom that drug is no longer sufficient without many painful injections."

In view of the fact that 37 other countries, including England and West Germany, have legalized the use of heroin for strictly definitive medical purposes, is the minister prepared to make representations at this time to the federal ministers of Health and Justice to make the necessary changes in Canadian law to permit what Dr. Walker calls the ultimate humanitarian act to legally take place?

**Hon. Mr. Grossman:** Let me put it this way, Mr. Speaker: I am prepared to hear representa-



tions with a view to hearing the various sides on that and then consider the matter.

**Mr. Bradley:** The minister will be aware that the member for Leeds (Mr. Runciman) has been very active on this question. Can the minister confirm whether any specific members of his ministry are dealing with this proposal at this time, or is he going to act on the information and advice of outside agencies?

**Hon. Mr. Grossman:** I would rely in this circumstance both on advice from outside and the advice of my ministry staff.

#### ACCESS TO INFORMATION

**Mr. Breagh:** Mr. Speaker, I want to raise with you a point of privilege concerning the right of members of this assembly to get information.

I have tried, and I know other members have tried, to determine how much it is costing this government to prepare a proposal on market value assessment here in response to a request from Metro Toronto council. We are able to see projected costs in the estimates of some \$12 million for assessment purposes. I have asked questions in the House to which the minister has not provided any information.

On Wednesday of this week, because I happened to have a visitor, Ron Kennedy from Midland Collegiate, we thought we would give him an opportunity to do a little grass-roots research; so we put him on the telephone and asked him to call some of the assessment offices around Ontario and see how many valuation officers had been assigned on the current program. They have been working in Metro on this project for two weeks and then back in their own areas for one. He managed to get answers from the first seven phone calls he made, totalling, I believe, 101 valuation officers here in Metro.

After that, Ron wanted to go off to committees and see how committees function here, which he did. When he returned in the afternoon, a strange phenomenon occurred. In the afternoon's phone calls none of the regional offices would answer the question. All the regional officers referred it to the minister's office, which we did. It has taken two days, but today I did receive a piece of paper, which I take it is from the Minister of Revenue (Mr. Ashe) although it is not acknowledged. It answers part of the question, saying that there are 224 valuation staff in Toronto. But, again, there is no reply to the question of how many of these people are

being brought in from outside Metro to conduct this one project.

Mr. Speaker, there are rumours that the program in question is extremely expensive, because large numbers of valuation officers are coming into Metro on overtime and travelling expense and setting aside regular duties back home to conduct this project. I would like to know how we are supposed to find out what that project is costing. Written questions have been tried by other members and oral questions by me; and I have attempted, through Ron Kennedy, to ask regional offices to provide that information. They did initially and subsequently refused.

We have asked the minister's office exactly how members of this Legislature are to find out information of that nature, which surely is a public matter, before the deed is done. I understand that a year or so from now the public accounts committee may have access to that. The fact is that the project is going on now. Are members of this Legislature not supposed to have the traditional right of opposition members to make inquiries, to get answers on matters of this nature and to ascertain such information?

**Mr. Ruprecht:** Mr. Speaker, if the minister replies to that, I would like to speak on this point of privilege.

**Mr. Speaker:** Very briefly, please.

**Mr. Ruprecht:** I would like to hear whether he can reply first.

**Mr. Speaker:** I must point out to honourable members that this is not really a point of privilege. Obviously it is up to the government to supply information and answers to questions and so on. It is not the responsibility of the Speaker to act as a go-between. In fact, I would not want to jeopardize my position by being asked to perform such a function. This is somewhat similar, I think, to a matter of privilege that was raised by the member for Ottawa East (Mr. Roy) last week. I will prepare a reply on matters of privilege as I see them and have it ready for maybe next Tuesday or Thursday.

**Mr. Breagh:** Mr. Speaker, when you are preparing that, perhaps you might consider that it has been a traditional right of members of Parliament on all sides to visit certain institutions to gather information. It has always been my practice while I have been a member here, and I thought a reasonable one, that when I wanted to know something I would sometimes call the minister's office when it was informa-

tion that had to be collated; but I also felt quite free to call hospitals, health councils or any agency of the government.

It has always been my experience that if it was a reasonable request, information would be given freely and openly without any problems. Then it was our job to take that information and translate it into something politically relevant. It now appears fairly clear to me that what has been a traditional source of information for members of the Legislature has been closed. Mr. Speaker, that does speak about the rights and privileges of members of this assembly to get information. We are not asking for secret documents. We are not asking for cabinet reports. We are asking for simple information. It seems to me that is a matter of privilege for the members of this assembly.

**Mr. Epp:** Further to that point of privilege, Mr. Speaker: I must tell you of an experience I had a few weeks ago. I put something on the Order Paper and asked for some lists from the Minister of Municipal Affairs and Housing (Mr. Bennett). The ministry sent back an answer saying it did not have those lists available; and if I had not persisted in trying to get that information, it would not have given it to me. Finally, on Wednesday I got the list of all the municipal councils in Ontario, but they were trying to tell me that information was not available to me.

11:20 a.m.

My experience has been that when we asked for information during the minority government it was much more readily available. Why has there been this change of tactics? In addition to the case I have already mentioned, we asked for information about the number of assessors in the city of Toronto and how much the assessment operation was costing the government, and they were not inclined to come forward with that kind of information. In all fairness to the opposition parties, I think this information should be made available.

My predecessor in the House told me that when he had dealings with a certain senior minister of the crown, that minister always gave his officials the right to release whatever information was requested by the opposition critic. That minister felt very secure in his position and knew he could defend that information. I am wondering whether the present unwillingness of ministers to provide information to opposition members indicates some lack of security in their portfolios.

**Mr. Speaker:** The member for Waterloo North has supported what I said earlier, that this information must come from government. By his persistence, he obviously got that information.

The member for Oshawa raised an interesting matter on his second point of privilege, which was somewhat different from the first. I shall take that under consideration.

**Ms. Copps:** Mr. Speaker, anticipating your report back to the House, I wonder whether whether you would also take into consideration the point I raised some time ago.

**Mr. Speaker:** Just a minute. Let me make it clear that I did not say I would report back to the House. Nor do I think I will. I do not think that is my responsibility. I did say, specifically to the point that was raised by the member for Oshawa, that I would take it under consideration.

**Ms. Copps:** Mr. Speaker, although I think you should make a report back to the House so that the House may be guided by your direction in this matter, perhaps you will also take under consideration a similar situation I raised two or three weeks ago with the Minister of the Environment (Mr. Norton). It had to do with a document that had been made available to the public and to constituents, but I could not get a copy. This can be checked in Hansard. I wonder if we might have some direction as to whether the minister has the authority to give documents to the public and to withhold them from members of any party.

**Mr. Speaker:** There is perhaps some misunderstanding on the matter of privilege. I would like to prepare something on that for the benefit of all honourable members.

**Ms. Copps:** You will be reporting to the House on that?

**Mr. Speaker:** Yes. I will give a direction or ruling, whatever you wish to call it.

**Hon. Mr. Ashe:** Mr. Speaker, on the same point of privilege regarding the Ministry of Revenue: There is an established procedure within this Legislature. If a member has what he or she feels is a legitimate request, there are two ways to go about it that are valid and in order. One is to ask the question during the question period. The other is to put a written request on the Order Paper. In this way we can see that the request for information is answered reasonably and responsibly.

When it is the kind of answer that takes a great deal of time and/or resources, that can be



indicated so that the record will indicate the question, the nature of the question and the nature of the answer required. This helps to avoid misinterpretation. In many of these issues that is the concern on the part of the government; I know it is mine personally. There are two ways to do it, and we are happy to respond. For my own part, I will be generous.

**Mr. Renwick:** Mr. Speaker, I am always interested in the comments of the Minister of Revenue on these points of order. He correctly stated that we have but two avenues of inquiry available to us in this assembly and they are as he stated them. But there is no correlative responsibility on the government to answer reasonably or responsibly or, indeed, to answer at all. That is the problem.

**Ms. Copps:** I want to raise a point of privilege, Mr. Speaker. It is something you might consider in your further deliberations. I refer to Hansard of April 22, when this party and the third party raised a number of concerns about the role of the Minister of Health (Mr. Grossman) vis-à-vis the district health councils. At that time you said, "I am sure the Minister of Health will take notice of your remarks and respond." I wonder whether you might consider those Hansard remarks in your deliberations on the responsibilities of ministers to answer.

**Mr. Speaker:** That was the very point to which I was referring when I referred to the point of privilege raised by the member for Ottawa East, and I will respond or have a ruling on what constitutes privilege.

## ORDERS OF THE DAY

### MINISTRY OF TOURISM AND RECREATION ACT (concluded)

Resuming the adjourned debate on the motion for second reading of Bill 41, An Act to establish the Ministry of Tourism and Recreation.

**Hon. Mr. Baetz:** Mr. Speaker, I would like to thank all those who have participated in the debate, and especially the many who made positive and constructive comments. All the members' proposals will receive the attention they deserve.

Before commenting on my two chief critics' statements, I want to touch very briefly on most or all of the statements made by the other members, and I will do so more or less in the reverse of the order in which they were made.

As I said, I appreciate the helpful suggestions and proposals that were made, such as the one

by the member for Riverdale (Mr. Renwick) on the convention capacity, or perhaps the lack of it, throughout Ontario. This matter has been of considerable concern to our government, and steps have been taken towards correcting the situation in a variety of ways, including the present construction of a convention centre in Ottawa as well as allotting funds for a world-class convention centre here in Toronto.

While it is true, as the member for Riverdale observed, that only Toronto has the capacity for large conventions here in Ontario, the fact is that even Toronto does not yet have a convention centre which can place it in a position to compete with world-class convention facilities such as exist in Berlin, London, Chicago and so on.

With the completion of the convention centre currently under way in Toronto, this city will be in that world-class league. But obviously, in addition to that, we need a network of convention centres of various sizes across the province, and we need to assist in their development in a systematic and comprehensive manner. With this in mind we helped to establish the Ontario Association of Convention Bureaux, at whose annual meeting I spoke a few weeks ago. And yes, I agree that conventions are a very important element in tourism, and it is a matter that will actively engage us.

I appreciate particularly the supportive comments made by the member for Brant-Oxford-Norfolk (Mr. Nixon) on the need to place more emphasis on our heritage trails and highways. I also appreciated his comments on the hospitality he finds in the land of my forefathers up in Waterloo county. His enthusiasm for Pennsylvania Dutch cooking inspires me to send him a copy of Edna Staebler's recipe book entitled *Food That Really Schmecks*. The member for Waterloo North (Mr. Epp) will also know the book, I am sure.

Many of the comments extolled the virtues and beauties of the areas that the honourable members represent. This illustrated once again that Ontario is richly blessed with a wide range of beautiful and exciting places to visit, many of which are unfortunately not well enough known. It is this very reason that has stimulated us to develop and pursue as our central theme and slogan, "Ontario—yours to discover!"

I have to admit, and others probably will agree, that the debate last Tuesday was itself somewhat of a discovery tour. Who, for example, had heard of Shining Tree before the member for Nickel Belt (Mr. Laughren) drew it

to our attention? How many of us had heard of the Sauk and Fox Trail until the member for Essex South (Mr. Mancini) brought it to our attention? How many of us knew of the full beauty of Sherkston Beaches until the member for Erie (Mr. Haggerty) spoke of it? How many of us had forgotten, if we ever knew, the splendour of the Grand River in and around Port Dover before the member for Haldimand-Norfolk (Mr. G. I. Miller) reminded us of these Meccas for tourism?

**11:30 a.m.**

My colleague the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) reminded us again of the beauty of the Ontario farm and the need for us to do more to encourage tourists to spend refreshing and wholesome vacations on an Ontario farm through the Ontario farm vacation program, a program that my ministry is now promoting. My colleague the member for Renfrew South (Mr. Yakabuski) extolled the virtues and beauties of the historical Ottawa Valley and the whitewater country of the Madawaska River valley.

Although I realize, along with others, that the member for Sudbury East (Mr. Martel) is a true fan of the true north, I could not help but think he painted a slightly too gloomy picture of that part of our province. My impression was perhaps slightly coloured, because I had just come from a visit to northern Ontario several hours before the debate. My memories were still vivid with the sight of that great tourist attraction, Thunder Bay's Old Fort William, now a part of my ministry, and the big Thunder Bay ski jump, which is also a part of my ministry and which I might add has become a world-class ski jump.

I could not help but wonder how the member for Sudbury East could possibly overlook the newest tourism gem of the north, the Sudbury Science Centre, currently under construction in Sudbury. While it is true, as he noted, that the Royal Ontario Museum has received very substantial support to maintain its world-class status, I believe the almost \$10 million spent by the provincial government on the Sudbury Science Centre provides conclusive evidence that we have not forgotten the north in establishing tourist attractions such as this.

The *pièce de résistance* of the north continues to be the vast, varied and almost overpowering natural beauty of its lakes, rivers and forests. I share the conviction expressed by several honourable members that we dare not squander this natural beauty. I intend to work as a strong advocate to preserve this beauty and to work

along with such very influential private sector groups as the Northern Ontario Tourist Outfitters Association and the regional tourist associations. I have had the pleasure of meeting both groups.

I cannot disagree with the comment that the tendency in the past has been to regard only the industries of mining and forestry as having economic value while overlooking or underestimating the economic value of tourism as well as its contribution to our quality of life. To help me bring to the table some more quantitative arguments on behalf of the tourist industry, we have just employed an economist who has specialized in precisely this field. I have also had several talks with my colleague the Minister of Natural Resources (Mr. Pope), and I am confident that in future, through ongoing dialogue, collaboration and joint agreement, the needs of tourism will be taken into account when decisions are reached on such issues as access roads.

As the member for Sudbury East observed, there is no easy consensus between the demands of those depending on the mining and forestry industries and those promoting tourism. Nevertheless, the proper balance is something for which we must constantly strive.

Likewise, I intend to be an advocate for the tourist industry on such issues as fish and wildlife protection. I have already had a number of discussions on this subject with the Northern Ontario Tourist Outfitters Association. I did not conclude from these conversations that the lack of fish is their greatest concern. Indeed, I was impressed to hear several of its members remark that if the tourist fishermen come to the beautiful north only to take home vast quantities of fish, they would be better advised to go to their nearest fish market or perhaps even Lake Erie, where sport and commercial fishing is once again thriving. In the minds of the NOTOA, neither the local fish market nor Lake Erie can provide that intoxicating feeling of being in private communion with nature which only the beautiful and remote northern lakes can offer.

The threat of acid rain to our lakes and indirectly to tourism was noted by several members. This too is a subject that is now receiving and will continue to receive my close attention.

A number of speakers referred to that very rich potential tourist population living in the United States within a one-day drive of the Canadian border. My ministry is not only keenly aware of this valuable resource, but we are right now marketing those areas aggressively and I



feel with good success, with the intention of bringing more and more US residents to Ontario.

Whether the true gateway to Ontario or Canada is Fort Erie, as the member for Erie contends, or Windsor, as the member for Essex North (Mr. Ruston) suggests, or whether in fact it is Sault Ste. Marie or sunset country, is not for me the most important concern. What is important is that more Americans be encouraged to discover our province and all its beauty. As I see it, the objective is one that we are progressively pursuing.

It is interesting to note that approximately 50 per cent of all our media dollars are spent in 11 markets in the United States, that 41 per cent of these media dollars are spent in Ontario and eight per cent in international markets and the rest of Canada.

Going back again to some comments made by the member for Sudbury East with regard to the field of sports, I was interested and encouraged to read yesterday's sport headline in the Toronto Star and I quote: Ontario Has its Sporting Priorities Right. The article refers to Ontario as "the leader in supporting its amateur athletes." It is a reputation which I can assure members is one we in this ministry are proud of and firmly committed to maintaining.

Just recently I approved a grant of \$2.5 million towards the relocation of the Ontario Sports Administrative Centre which will house 42 of Ontario's sports governing bodies, a move which will surely contribute significantly to the further enrichment of sports programs in this province.

The member for Sudbury East also spoke at some length on the subject of violence in amateur hockey. This is a problem which I have shared with that member since the early days of my previous portfolio. I plan to meet with representatives of the Hockey Ontario development committee in the near future to squarely address these and other issues and discuss future directions.

I would like to turn now to specific comments made by my two chief critics, the member for Victoria-Haliburton (Mr. Eakins) and the member for Lake Nipigon (Mr. Stokes). I was very pleased to hear that the member for Victoria-Haliburton and his party are prepared to support the legislation establishing the Ministry of Tourism and Recreation. That is perhaps not totally surprising in light of recommendations made by a Liberal Party task force headed by the member several years ago.

The member for Victoria-Haliburton referred to the national deficit in tourism and the fact that Ontario's share is being reduced. I am pleased to say the following statistics bear this out. In 1978, Ontario registered a 38.4 per cent share of national tourism deficit. Since then, that share has been progressively reduced to 29.4 per cent.

I also share the observations of the member about the need for us to collaborate with municipalities and private operators as we develop our tourism market. Although this ministry has within its mandate several very large publicly owned tourist attractions, such as the Niagara parks, Ontario Place, the St. Lawrence parks, including Upper Canada Village, Old Fort Henry and so forth, the bulk of tourism operations are owned and directed by private entrepreneurs. We see within our role the need to enhance their capabilities and assist in their marketing programs.

The feasibility study referred to by the member for Victoria-Haliburton as well as by the member for Cornwall (Mr. Samis), reflects this point very clearly. While it is generally agreed that a major four-season top quality heritage inn could do much to enhance the tourism industry in the Chrysler Battlefield Park area, the \$30,000 cost-shared feasibility study which I announced last week will allow us to examine the impact, both negative and positive, that such a heritage inn might have on other existing regional hotels and motels.

**11:40 a.m.**

On the matter of sales tax on rooms and the tax on meals over \$6, as I indicated during question period, I have brought the concerns of the industry to the attention of the Treasurer (Mr. F. S. Miller). He has the onerous and perhaps unhappy responsibility for balancing these needs and requirements against those of other industries and individuals.

I have noted the observations made by the member for Victoria-Haliburton on the need for training programs in the tourism industry. I agree entirely with him that human resources are a vital part of the tourism industry and unless we can continue to develop that element, much of our advertising and marketing program in the long run will have been in vain. In other words, to strengthen our marketing and advertising programs we need to ensure a high-calibre delivery of tourism services.

Both critics indicated they want to see a printed annual report of the ministry presented to the Legislature and an amendment to this



effect has been put by the member for Lake Nipigon. I would like to assure the members we agree with this and will support that amendment.

I would now like to respond to some of the comments made by the critic for the New Democratic Party, the member for Lake Nipigon. I was pleased to hear his very positive remarks about the former Ministry of Culture and Recreation, a ministry I had the pleasure of serving for over three and a half years, a rather lengthy period in the life of any minister. It is reassuring to note that my years in that ministry and my labours in that vineyard were not in vain.

I think it is important to remind ourselves that structures, whether they be ministries of government, or agencies or corporations in the nongovernment sector are not an end in themselves. Structures are merely a means to an end, which in the case of government is to provide services and programs to an identified constituency. The important question must therefore always be whether the services and programs are being delivered effectively, and not whether certain structures are to be maintained indefinitely.

If we lose sight of this and concentrate our efforts on the maintenance of the structure, the end results, on which I need not elaborate, could be somewhat less than desirable. Ministries are not built for ministers, deputy ministers or bureaucracies. Ministries are built to serve people. Indeed, I think it can be a refreshing and rejuvenating exercise to change structures from time to time. I am confident that is exactly what will happen with the restructuring of the ministries which involves the Ministry of Tourism and Recreation.

Our first objective, as always, will be to serve our clients. As my colleague the Minister of Citizenship and Culture (Mr. McCaffrey) has already indicated, it is his and my intention to provide these services and programs through what we have called a one-window approach to the communities, organizations and individuals we serve.

We have already taken substantial steps to rationalize our field organization. No doubt some further fine tuning of the delivery system of the two ministries will be required, but these adjustments will not entail any legislative change. This fine tuning can be provided through changes in administrative procedures, financial arrangements and administrative decisions. I urge members opposite to apply the same criterion which we will be applying, namely, does the system

work and does it provide the services intended? If it does not, we will be prepared to make the necessary changes.

In working out this *modus operandi*, I will continue to work closely with the Parks and Recreation Federation of Ontario which is serving as my advisory committee and which maintains a network of contacts at the grass-roots level.

I would like at this time to state for the record how much I have appreciated the work and support the federation has given me over the last three and a half years in the former Ministry of Culture and Recreation. I look forward, as I know my staff does, to continued close collaboration with that body which is so essential in the recreational field in this province.

The member for Lake Nipigon has also indicated he cannot support this legislation because we have not included within the Ministry of Tourism and Recreation the administration of the Parks Assistance Act. He is therefore introducing an amendment to include the Parks Assistance Act in my ministry.

I am aware a school of thought exists which supports the view that the Parks Assistance Act should be a part of the Ministry of Tourism and Recreation. There is, on the other hand, an equally strong opinion which maintains that the Parks Assistance Act should remain with the Ministry of Natural Resources. To air these views and to allow for an effective exchange of ideas I have assured the Parks and Recreation Federation of Ontario that a meeting of the federation, myself, and the Minister of Natural Resources and his staff will be arranged at an early date.

At this point I cannot predict with certainty the outcome of this meeting. I can only say that, as the members opposite know, legislation is not enshrined in granite, and if in the fullness of time and in the light of the wisdom of the day legislation should be changed, that can be done.

On the matter of the administration of regulation 200 I would like to assure the member for Lake Nipigon that regulation 200 as well as the Community Recreation Centres Act will be fully administered by the Ministry of Tourism and Recreation. Likewise, the overall direction of Wintario grants, both capital and noncapital programs, as they relate to recreation, sports and fitness will fall within my ministry's mandate.

The member for Lake Nipigon has also referred to the Fisher report. I am pleased he has done so, because I frankly believe that the Douglas



Fisher report has made a very substantial contribution to the recreational and particularly the sports field in this province. Unlike so many other reports that end up collecting dust, I am pleased to tell the member that 14 of Mr. Fisher's recommendations have already been implemented, and more are still to come.

On the question of the lead ministry, a step proposed by the member for Lake Nipigon, I can only say that I fully agree with him. The Ministry of Tourism and Recreation, as its title implies, should serve as the lead ministry for recreation, whether it be in a *de jure* or a *de facto* sense. I believe this recommendation can be achieved in a *de facto* way even if not in a precisely formal *de jure* manner. In other words, the ministry simply assumes the lead.

The lead role could also be recognized perhaps somewhat more formally, and this has already been done. I would like to read briefly the following extract from a letter dated April 15, 1982, directed to Mr. Robert Arnot, chairman of the Parks and Recreation Federation of Ontario, by the Premier (Mr. Davis):

"I noted your recommendation regarding the need for a lead ministry for all matters pertaining to recreation. Please be assured that the Ministry of Tourism and Recreation has that responsibility, and I look forward to Mr. Baetz and his staff to provide the recreation viewpoint on all matters brought to cabinet and cabinet committees."

The paramount fact remains that the Ministry of Tourism and Recreation is the lead ministry in recreation and tourism.

On the matter of what acts and agencies to include or not to include within the structure of the ministry I think it could be stated fairly that one can develop almost any rationale for including a great deal or very little within the administration of any ministry. For example, an argument could be made, and indeed has been made, that some of our major cultural attractions, such as the Royal Ontario Museum, the Art Gallery of Ontario or the Ontario Science Centre, should be part of the Ministry of Tourism and Recreation because these are, after all, tourist attractions.

Likewise, in view of the fact that so many of our provincial parks are major attractions for tourism it could be argued that they too could be included in the Ministry of Tourism and Recreation. In a similar vein it could be argued, and indeed it has been argued during our debate, that certain parts of the Ontario Development Corp. and the Northern Ontario Devel-

opment Corp. should be part of the Ministry of Tourism and Recreation because of their activities in the development of such projects as marinas.

So while a rationale could be developed to include almost anything under the sun having to do with tourism within the Ministry of Tourism and Recreation, I think common sense predicates that there have to be some parameters, some limits. Otherwise the ministry simply becomes too enormous, unwieldy and cumbersome and ultimately collapses under its own weight.

**11:50 a.m.**

I believe the parameters which have been established for the Ministry of Tourism and Recreation make a great deal of sense. We have those components which we feel are necessary and which we can administer, ourselves, effectively. Beyond that, the ministry has set out for itself a clear tourism advocacy role in relation to other ministries, for those areas of human endeavour and activity which are of great interest to tourism but which do not fall directly within my ministry's administration.

For example, I can and will speak out for adequate fish and wildlife protection, but I can do so without becoming engaged in the running of fish hatcheries. I can and will speak out for further development of our cultural attractions because of their interest to tourists.

In conclusion, I will simply repeat my earlier message. I believe this ministry has the challenge of a first-class job in both tourism and recreation, and the resources to do it. I would also like to take this opportunity to thank the many individuals whose hard work and effort over the past weeks have gone towards making the transition into this new and great ministry a smooth one.

I believe this ministry will enhance tourism and recreational fields, as both build upon natural affinities and share complementary goals. In this I seek the critical support of the members opposite.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

#### MINISTRY OF TOURISM AND RECREATION ACT

Consideration of Bill 41, An Act to establish the Ministry of Tourism and Recreation.

**Mr. Stokes :** This is not on the Order Paper for today.

**Mr. Mitchell:** Yes, it is.

**Mr. Renwick:** Mr. Chairman, following the interjection by my colleague the member for Lake Nipigon, I heard the comment from across the floor that this bill, Bill 41, is on the Order Paper for committee of the whole House. I am just checking the Order Paper and it is not on it for committee of the whole House today.

**Mr. Mitchell:** I apologize. It is not.

**Mr. Renwick:** It was to resume the adjourned debate on the motion for second reading. I would respectfully ask that this particular bill be stood down in committee of the whole at this point.

**The Acting Chairman (Mr. Epp):** My information is it was announced by the House leader last evening that it would be coming up for discussion in committee of the whole today.

**Mr. Renwick:** I understand the extempore announcements and interjections of the government House leader on Thursday evening outlined the business of the day as a guidance for the next week. What I and other members of the House go by is the business in the House for Friday, April 30, morning sitting, as set out in the orders which are before us.

**Mr. Stokes:** I have no objections to proceeding with it.

**Mr. Ruston:** I have no objections to standing it down. I was under the impression we were going to go ahead with it, but apparently they forgot to put it on the Order Paper.

**Hon. Mr. Wells:** Mr. Chairman, it was intended that we would proceed. In all our talks, we talked about proceeding. I understand it is just to add an amendment that everyone agrees to.

**The Acting Chairman:** If it is the wish of the House to proceed, we can proceed. On the other hand, if you wish to stand it down, we can do that. If there is unanimity that we proceed, then we will proceed. Agreed?

Sections 1 to 14, inclusive, agreed to.

On section 15:

**The Acting Chairman:** Mr. Eakins moves that the following new section 15 be added to the bill and that sections 15 and 16 be renumbered 16 and 17:

"The minister shall in each year submit to the Lieutenant Governor in Council a report of the proceedings of the ministry during the next preceding fiscal year and such report shall be

laid before the assembly forthwith, and if the Legislature is not at the time in session, then within 30 days after the commencement of the next session."

**Mr. Stokes:** Mr. Chairman, I would like to comment on the wording of the amendment, "The minister shall in each year submit to the Lieutenant Governor in Council a report of the proceedings of the ministry during the next preceding fiscal year and such report. . ." That is not the standard wording that is used in all statutory requirements of this nature. If the member will look at other acts where there are statutory requirements for the tabling of an annual report, they read thus:

"The minister after the close of each year shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the ministry and shall then lay the report before the assembly if it is in session, or if not, at the next ensuing session."

In the interests of uniformity, where there is a statutory requirement perhaps we should use that rather than varying from the norm. I think that is a much more orderly way of proceeding with it. It does have uniformity rather than the new verbiage that might be misconstrued as intending something else.

**Mr. Eakins:** Mr. Chairman, I have no objection except that that is the same wording as used by one of our other ministries. I believe the Ministry of Agriculture and Food uses the same wording as I have. I have no objection if it is clear.

**Hon. Mr. Baetz:** Mr. Chairman, I can certainly support that amendment. I think we all know what is intended here, that we are to submit an annual printed report. We are quite prepared to go along with that proposal.

Motion agreed to.

Section 15, as amended, agreed to.

Sections 16 and 17, as renumbered, agreed to.

**Mr. Stokes:** I just want to be sure, Mr. Chairman. There is in the bill a reference to the schedule. The ministry is responsible for the administration of this act, the acts set out in the schedule and the acts that are assigned by the Legislature or by the Lieutenant Governor in Council, and the schedule is at the end of the bill. I had indicated, both to the chair and to the minister, that I wanted to move an amendment to the schedule simply by adding to it the Parks Assistance Act.

12 noon



When the minister was giving us a rundown on his response to the various items raised by members on both sides of the House, he indicated he had undertaken to liaise with his colleague the Minister of Natural Resources (Mr. Pope) and the people responsible for the Parks Assistance Act in that ministry, along with the Parks and Recreation Federation of Ontario that is acting in an advisory capacity to this ministry.

I would like to move an amendment that the schedule be amended by adding thereto "Parks Assistance Act" for all the reasons I expressed on second reading and for the reasons that have been articulated by the Parks and Recreation Federation of Ontario. The minister has indicated he is not prepared to accept that amendment until he has had an opportunity to meet with and discuss this very issue with his colleague, the Minister of Natural Resources, and other concerned groups throughout the province, but I would like to move that amendment to the schedule with the permission of the chair. Does the chair have a copy of that?

**The Acting Chairman (Mr. Epp):** I have a copy, yes.

Mr. Stokes moves that the schedule to the bill be amended by adding thereto "the Parks Assistance Act."

Any comments?

**Mr. Haggerty:** Mr. Speaker, I want to speak on the motion put forward by the member for Lake Nipigon.

I endorse the amendment. I think there was quite a bit of discussion on second reading of the bill that the act should be included under the schedule with all the other acts mentioned: Community Recreation Centres Act, Historical Parks Act, Niagara Parks Act, Ontario Lottery Corporation Act, Ontario Place Corporation Act, St. Clair Parkway Commission Act, St. Lawrence Parks Commission Act and Tourism Act. If it is not included, there may be conflicting views in the future as to who is responsible for the parks system in Ontario. If we are going to look after recreation and parks, the amendment to include the Parks Assistance Act should be accepted.

In second reading I think the minister indicated that he wanted further consideration and discussion with other ministries. Members of the official opposition and the third party were trying to drive home the point that all parks now within the Ministry of Natural Resources should come under the new Ministry of Tourism and Recreation. I think the Ministry of Natural

Resources has two important areas to be concerned about, the forest industry in the province—reforestation—and the mining sector. The minister has his hands full with those. If we are establishing this new ministry, I suggest parks should come under its jurisdiction.

During second reading I suggested we should establish more parks commissions along the Great Lakes water system and waterways in Ontario and inland parks that involve local participation by dedicated citizens. That has been successful in the Niagara Parks system where persons are appointed, some by the regional municipality of Niagara, some by the county. I think it is a good, workable system, and I suggest the amendment put forward by the member for Lake Nipigon is a good reasoned amendment and should be supported by all members of the House.

**Mr. Eakins:** Mr. Speaker, in my experience the activities in those areas that have received assistance under the Parks Assistance Act be would natural ones to come under the new Ministry of Tourism and Recreation. I appreciate the fact the minister has agreed to initiate meetings and discussions with the Ministry of Natural Resources and others with regard to looking into the full potential and background of the Parks Assistance Act and what it means to his ministry.

**Mr. Stokes:** I would like to remind the committee, Mr. Chairman, that the provision of public funds under the Parks Assistance Act is quite different and distinct from the funds that are appropriated by the Ministry of Natural Resources for the establishment and maintenance of provincial parks in Ontario. The intent of the Parks Assistance Act is to assist municipalities in the establishment of parks within their jurisdiction and there is an upper limit in subsection 3(2) that:

"The assistance granted under subsection 1 in respect of any one park shall not exceed \$100,000 or 50 per cent of the total cost of acquiring the land and developing the park or of converting a provincial or public park into an approved park, whichever is the lesser."

It is quite apart and distinct from the administration of provincial parks generally. Since this ministry is going to be involved in the delivery of all of the services and all of the programs, it is going to be community oriented. That is why I felt it made sense to carry on the uniformity in providing recreational facilities and tourist facilities through municipalities for the public generally.

The act even goes further than that and in subsection 1(2) says: "An elementary or a secondary school board having jurisdiction only in territory without municipal organization has the powers of the council of the municipality under this act, and the provisions of this act apply with necessary modifications to such a school board."

I mentioned the specific instance of the intended closure of Inwood Provincial Park, just outside of Upsala, west of Thunder Bay. It seemed to me that where the Ministry of Natural Resources in its wisdom felt that a particular park did not meet with the criteria now being worked into the ministry for the administration of parks throughout Ontario, they would turn it over to the private sector. They have done that in this particular instance over the past two or three years and it has not worked out.

I have had representations from a considerable number of people in that area who feel it is a beautiful little site. It is the only place in this unorganized territory where local residents can go. It attracts and generates a good deal of business for the small retail outlets in that area. If your ministry is going to get involved in that kind of thing, to promote tourism, to continue to provide recreational outlets for people all over the province, it just seems to me that if you took over control of the Parks Assistance Act you would be much more attuned to the needs, the wishes and the aspirations of people in the municipalities throughout Ontario generally, but in particular to the needs and aspirations of people in unorganized communities.

I think an Indian band could apply for assistance under this act, as could a school board in a place where there is no municipal legal entity other than the school board. It seems to me that it makes sense, given the aims, the objectives and the reason your ministry is being set up, to have the Parks Assistance Act added to this schedule. It is self-evident to me. It may not be self-evident to the people within your ministry but I think the evidence is overwhelming. I do not say everything in Ontario, as the minister suggested in reacting to comments made over here, but this seems to belong naturally. I would urge all honourable members to support the addition of the Parks Assistance Act to the schedule for the reasons I have mentioned.

12:10 p.m.

**Hon. Mr. Baetz:** As I indicated in my remarks on second reading, we are fully aware that there are two definite schools of thought about where

the Parks Assistance Act should be lodged. One hears strong argument made to include it in my ministry. Another argument is that it should remain with the Ministry of Natural Resources. I also said in my remarks that until such time as we had an opportunity to look at this question thoroughly, I would feel far more comfortable not taking this step at this time.

Our minds are not closed and the door is not shut forever. If, as a result of this ongoing debate and dialogue, it is apparent that the Parks Assistance Act should fall within my ministry's mandate, then we would propose it. I simply hope that we would not delay legislation here; that we would get the ministry established, get on with the job and do the many things that are on our doorstep. This would give us a chance to look at this specific and discrete piece of legislation first. If necessary, we could deal with this other piece of legislation at a later point.

I have already spoken to the Minister of Natural Resources. He is aware that we will be sitting down to discuss this point in more detail. For the moment our position is we want to get on with the legislation and come back to this other matter probably at a later date.

Just as a point of clarification to the member for Lake Nipigon about our reference to the Parks Assistance Act and whether or not it comes over to my ministry: We are not talking about the provincial parks. The provincial parks, it is commonly assumed, are going to stay where they are with Natural Resources. I do not want to leave anybody with the impression that maybe all of the provincial parks will some day come over. I do not think they should.

**Mr. Stokes:** That is why I thought that if you had read the Parks Assistance Act the evidence would have been overwhelming that you should have it in your ministry.

Motion negatived.

Bill 41, as amended, reported.

## BUSINESS CORPORATIONS ACT

Consideration of Bill 6, An Act to revise the Business Corporations Act.

**Mr. Mitchell:** Mr. Chairman, with the permission of the House I would appreciate the privilege of moving from my place in case I should require the assistance of the executive director and the director of the companies division.

Have the members received their copies of the statement?



While the statement is being distributed, I would like to thank all the members of the standing committee on administration of justice for the courtesies they showed me, being responsible for carrying it through committee. That was quite an unnerving experience for a new member and I must sincerely thank all members for the courtesy shown to me. I would also be remiss if I did not thank the bar association and the other groups that took so much time to assist the committee in its deliberations.

During the review of Bill 6, An Act to revise the Business Corporations Act, by the administration of justice committee, commitments were made on behalf of the minister to come back to the committee of the whole House with respect to certain proposals, either with amendments or explanations for not amending. There are three such outstanding matters and I propose to deal with each in turn before referring to certain further amendments to the bill that I propose to move related to the national energy program.

The first relates to subsection 115(3) and the independence of directors of public offering corporations. In response to briefs to the committee recommending that subsection 115(3) be amended to exclude a company's legal counsel, investment counsellor, banker, consultants or retired officers, as well as officers or employees, from the board of directors of an offering corporation to assure greater independence, amendments were moved by the member for Riverdale (Mr. Renwick) and the member for Yorkview (Mr. Spensieri). These were defeated.

In view of the concern, an undertaking was given on behalf of the minister to review subsection 115(3) with respect to independence of at least one-third of the directors of an offering corporation. This was done and has been discussed with several members of the corporate bar in Toronto, unfortunately without a proposal being developed that would meet the needs of shareholders, management and the public.

As there is concern that the independence from management of outside directors of public offering corporations be bolstered by amendment of section 115, we intend to request the business law section of the Canadian Bar Association, Ontario branch, to study the question and to recommend an amendment within the year following enactment of the bill.

The second matter relates to section 131, directors' liability for employees' wages, and a new subsection 6, moved in committee by my

honourable friend, the member for Riverdale. This gives employees preference in priority, for debts not exceeding six months' wages, to the rights of other creditors and shareholders.

During discussion, doubts were expressed as to whether the proposed amendment conflicted with the Bankruptcy Act of Canada and would be ultra vires in regard to the Legislature. Mr. Renwick withdrew his motion upon an undertaking on behalf of the minister to have it reviewed, and either a suitable amendment be introduced for debate by committee of the whole House or an explanation be given for not introducing it.

Representatives of the legal profession attended the sessions of the administration of justice committee and subsequently commented on Mr. Renwick's proposed amendment. One of them drew attention to section 14 of the Employment Standards Act which provides, "Notwithstanding the provisions of any other act and except upon a distribution made by a trustee under the Bankruptcy Act (Canada), wages shall have priority to the claims or rights and be paid in priority to the claims or rights, including the claims or rights of the crown, of all preferred, ordinary or general creditors of the employer to the extent of \$2,000 for each employee." He suggested that in light of section 14 of the Employment Standards Act the proposed amendment is not appropriate.

**12:20 p.m.**

The director, legal services, of the Ministry of Labour was asked to consider Mr. Renwick's proposed amendment. He advised: "The proposed subsection has nothing to do with the subject matter of section 131, which imposes liability for wages upon a director . . . I question whether such a priority with respect to wages should be given in an act addressing itself to business corporations and not employers generally . . . The Employment Standards Act presently does confer priorities in respect of wages generally . . . The proposed amendment does not alter what is presently found in the Employment Standards Act, section 14, except that there is no limit placed upon the amount, if under six months wages, and it removes the present secured status given to vacation pay by section 15 or, at least, does not assist. I suggest, therefore, that the amendment should be rejected."

He commented further: "In connection with bankruptcy, the federal act is under revision and at the present time the wage protection issue is still under consideration by the federal



government. The recent Landry report recommended sweeping changes with respect to wage protection."

Mr. Chairman, for these reasons, I will not be moving an amendment to section 131.

The third outstanding matter relates to amendments requested by the Toronto Stock Exchange in its submission to the committee to assist corporate members of the exchange to go public. In addition to the amendment of clause 42(2)(c) and other amendments enabling an Ontario corporate registrant under the Securities Act to impose restrictions on the issue, transfer or ownership of shares for the purposes described in clause 42(2)(c), the solicitors for the exchange requested the same enforcement and policing powers as proposed for energy resource corporations in connection with the national energy program.

As he had undertaken to the committee to do, Benson Howard, QC, executive director of the company's division, reviewed these proposed amendments with Henry Knowles, QC, chairman of the Ontario Securities Commission. They subsequently met with the solicitors for the Toronto Stock Exchange. During these meetings they learned that the exchange wanted other new and substantive amendments. These would permit mandatory repurchase or redemption of restricted shares held in excess of permitted shareholdings, and provide a procedure governing payment of proceeds and an application by a dissatisfied shareholder to the court to fix a fair value for his shares.

Such changes require further review and policy approval before we can proceed with amendments. To allow time for policy review we are deferring these additional amendments requested by the Toronto Stock Exchange until the fall session. In the meantime, corporate members of the exchange intending to go public will have the benefit of clause 42(2)(c) and related consequential amendments under the bill as amended in committee.

The bill was amended in committee to enable energy resource corporations to be formed in Ontario with restrictions on the issue, transfer or ownership of shares of any class or series, and to enable existing publicly owned energy resource corporations to amend their articles to impose such restrictions or to issue new restricted shares to attain or to maintain a specified level of Canadian ownership or control to qualify for benefits under the national energy program of Canada.

The amendments, apart from describing shares

as restricted and not as constrained, were substantially identical with those proposed to be made in the Canada Business Corporations Act for the same purpose under the Energy Security Act proposed by the federal government.

When Bill C-94, the Energy Security Act, 1981, was introduced by the federal government for first reading on February 26, it differed from the draft on which our motions in committee to amend the bill had been based. Again, when amendments to the Canada Business Corporations Act were introduced in Bill C-105 by the federal government on April 7, changes had been made in response to concerns of the investment community on behalf of existing foreign investors.

To keep the amendments to Bill 6 related to the national energy program uniform with amendments to the Canada Business Corporations Act for the same purpose, I will be moving five amendments, one of which is of a house-keeping nature. Those amendments are to clauses 29, 42, 45, 184 and 271, which have been previously circulated to the members opposite.

**Mr. Breithaupt:** Mr. Chairman, I will refer briefly to the four themes the parliamentary assistant has discussed in his opening statement.

The bill before us was substantially changed during the committee hearings as a result of a variety of amendments that were brought forward not only by the ministry itself but also by the opposition parties.

With regard to the three outstanding matters to which the parliamentary assistant referred, I am interested in the amendment to section 115, to which the parliamentary assistant is prepared to seek appropriate amendments within a year. I would hope, as we look to the commitment he has made under his third item, that we might expect to have it somewhat earlier than that.

I note from the comments he has made with respect to the go-public theme in clause 42 that he expects to have some changes before the House in the fall session. If at all possible, I would also encourage the parliamentary assistant to see whether consideration of section 115 could be with us by then, because I think it would be opportune to have this bill entirely amended and as up to date as possible before we complete the fall session of the Legislature.

With respect to section 131 and the liability for six months' wages, I must admit I am disappointed that there could not be something in this legislation to show the concern of the Legislature, particularly for the wages of employees who suffer from the failure of a corporation.



Although the Bankruptcy Act is available, I believe it would be worthwhile to consider this matter further so that we are able, as best we can, to give whatever protection is possible to wages for employees in circumstances such as this.

The parliamentary assistant suggested in his statement that, because of the Employment Standards Act and the provisions of bankruptcy law, this theme may not be entirely appropriate for the Legislature at this time. However, I for one am not always so anxious to wait for the federal government to deal with matters, such as the Landry report has suggested to it with respect to changes under the bankruptcy law.

Certainly the pressures on these themes of bankruptcy and the protection of wages for employees are a most particular and important theme which must concern us all. Whether they will have the priority on the federal scene that some of us might prefer is beyond our responsibility here, but I do think we have an important responsibility to make sure we give as much priority and assistance as we can under Ontario law to protecting the wages of employees.

Under this theme of going public, which I referred to earlier, I note that not only are amendments being sought in that area but also other substantial ones are being sought, particularly by the Ontario Securities Commission, and they will be with us in the fall session. If that is attended to before the end of this calendar year, we will have seen some satisfactory progress. I look forward to seeing those amendments and discussing them this fall in the standing committee on administration of justice.

With respect to the proposed amendments concerning the energy resource corporations, the parliamentary assistant has favoured us with copies of those amendments, and I believe they can be discussed in detail as explanations are made for them in the committee procedure that will follow these opening comments.

With respect to uniform legislation and making sure we have consistency representing our approach to the changes that have now been made to the Canada Business Corporations Act in Bill C-105 and the Energy Security Act in Bill C-94, I believe these amendments must be consistent, and we will certainly support them.

12:30 p.m.

**Mr. Renwick:** Mr. Chairman, I do not intend to respond to the parliamentary assistant's statement. I will deal with those points when we come to the particular clauses to which reference was made during his statement.

My friend the member for Kitchener (Mr. Breithaupt) is always more gracious on these matters than I could ever be. In fact, in the committee we accomplished nothing by way of amendment of any significance other than the entirely new matter which was not before the assembly at the time the bill was read the second time, namely, the amendments necessary to make provision for the Canadianization of companies to obtain the benefits under the national energy program.

I want to emphasize to the committee of the whole House that unless the process with respect specialized bills such as the Business Corporations Act, the Securities Act and related legislation is revised, we are simply a rubber stamp.

The answers we got in committee consistently were twofold. First, "We are tracking the Canada Business Corporations Act and therefore any amendments are out of order and improper." Second, "In any event, this bill has been discussed with the industry over a period of time, and there are so many business interests with whom we have settled these clauses that for you mere mortals as members of the assembly to intrude on the bill would be a work of supererogation."

That process is wrong. I have said it on many occasions. One can tell from the course of the remarks implicit in the statement made by the parliamentary assistant today that this continues to be the case. There was no opportunity for intelligent exchange on matters of concern. Every single amendment that was proposed which would have been a beneficial amendment was turned down. The amendments that were passed were amendments that a Tory government would never have introduced a few years ago, namely, amendments to provide for the Canadianization of business corporations in Canada and to expropriate—which is the term they used some years ago when we suggested the Canadianization of companies—to expropriate the interests of people who do not comply with those provisions.

Mr. Chairman, in the interests of efficiency, I want to send you a note of the sections of the bill on which I intend to comment. I will not be moving any amendments. The reason is obvious: I am not going to go through the farce of moving amendments, calling in the members and having them all consistently voted down. But I intend to make comments on a number of sections and for your convenience, Mr. Chairman, I have listed them; perhaps that will be of



assistance to the chair in knowing which sections I am anxious to comment on.

**The Acting Chairman:** Thank you. The first indication I had of an amendment prior to this was to section 29. I now have information from the member for Riverdale that he wishes to make comment on sections 5 and 15 and then section 29.

Sections 1 to 4, inclusive, agreed to.

On section 5:

**Mr. Renwick:** Mr. Chairman, I put section 5 on the list simply because it is the first place in this bill where an amendment was passed in the committee dealing with the national energy program. It provides that if the issue, transfer or ownership of shares of the corporation is to be restricted, a statement to that effect and a statement as to the nature of the restriction must be contained in the articles of incorporation.

I do not intend to speak to the national energy program on this clause of the bill; it is sufficient to say that the significant amendments are in sections 5, 19, 42, 45, 167 and 169. My remarks will be restrained to section 45, but at that time I will comment also on sections 19 and 42.

Section 5 agreed to.

Sections 6 to 14, inclusive, agreed to.

On section 15:

**Mr. Renwick:** Mr. Chairman, this is an important matter, and I have to deal with it in this section. Section 15 states, "A corporation has the capacity and the rights, powers and privileges of a natural person." It is interesting that the Corporations Act, as distinct from the Business Corporations Act, has not quite as succinct a section as that but one somewhat similar in section 274. I am not going to read it, but its substance is that a corporation has the capacity of a natural person and so on.

This compact section, section 15, proposes that we continue the total elimination from the statute of any reference to the powers of corporations which hold and own land, and the extended degree of the ownership and control of land by corporations.

On the Order Paper we have Bills 3 and 4, dealing with the Charities Accounting Act and the Mortmain and Charitable Uses Act, which will repeal the traditionally effective process by which corporations could own interests in land. I do not intend this particular bill to go into those details. It is sufficient to say that when we pass this statute in the form in which it presently

exists and when we pass the repeal of the Mortmain and Charitable Uses Act, there will be absolutely no monitoring process of any kind in effect in the province with respect to the ownership of land by corporations.

I want to point out to the assembly that this is a very important matter. For many years, when the Corporations Act—again, as distinct from the Business Corporations Act—was the act that governed all the corporations, including business corporations, we had in the statutes of the province provisions such as this: "A corporation has power to acquire . . . and hold land . . . for its actual use and occupation, and for carrying on its undertaking, and when no longer so necessary to sell, alienate and convey the same."

Then we had a further provision: "No corporation and no trustee . . . shall acquire any land not necessary for the actual use and occupation of the corporation, or for carrying on its undertaking, and not held by way of security for more than seven years."

Then there was provision for extensions, and there was provision for the disposition of the land at that time.

In addition, there was a requirement: "A corporation shall give to the minister when required a full and correct statement of all land or interest therein, at the date of such statement held by, or in trust for, the corporation."

My point is that whether it was used in the way in which it was intended, or whether it fell into disuse, there was the conception within the Corporations Act that there would be a monitoring of, and an effective control upon, the extent and degree of the ownership by corporations of land not necessary for their actual use and operation, and not necessary for the carrying on of their undertakings. That was abolished in the preceding Business Corporations Act, except that the Mortmain and Charitable Uses Act, for whatever it was worth, still constrained that degree and extent of corporate ownership of land.

We are going to be asked to repeal the Mortmain and Charitable Uses Act. At present, our caucus indicates that we will likely support the amendment to repeal—not the principle, but the amendment—only on the grounds that it is anachronistic and out of date. But I want to say that when the government introduces this kind of legislation, we are always faced with a very serious problem, because when the government receives a report dealing with the



ownership of land by corporations, it picks and chooses what it wants to do with it.

We are being faced, in Bills 3 and 4, with the implementation of only one or two of the recommendations made by the Ontario Law Reform Commission in the report on the mortmain and charitable uses and religious institutions laws. We are getting it piecemeal. We are not getting the kind of collection of amendments which the report envisaged and which for reasons known only to the Attorney General (Mr. McMurtry) he has decided to do simply in pieces.

**12:40 p.m.**

However, I want to refer to page 23 of the report of the Ontario Law Reform Commission with respect to the specific question I am raising about this ownership of land by corporations, which very shortly no longer will be effective in any way. This relates to this succinct statement that a corporation, incorporeal as it is, will have all of the rights and duties and positions of an actual person. It is an imaginative concept that only one of the poetic imagination of the parliamentary assistant, the member for Carleton (Mr. Mitchell), could possibly envisage.

I just want to say that in its report the law reform commission specifically states: "Consideration should be given to the enactment of an amendment to the Business Corporations Act, similar to section 307 of the Corporations Act, requiring the sale of land within seven years after it is no longer required for the actual use of a corporation or for carrying on its undertaking."

I want that matter to be considered by the ministry. I am quite content to have the parliamentary assistant deal with this bill. However, I was anxious that the minister would be in attendance so he could focus his attention on the serious problems that are involved if we give a carte blanche to corporations to own, control and acquire whatever land and whatever interests in land, however extensive, in this province with no method of monitoring the degree and extent of that control. That is a serious problem even for a Conservative government.

The minister must well know that through the registry offices there is no known method of collecting, in any efficient way, knowledge of the extent and degree of land ownership by any particular corporation, let alone any group of corporations or any network of masked and hidden ownership of land. I say to the government that they do it at their peril to the public interest in the Business Corporations Act.

It is a matter of immense importance and significance to this party. It was a matter of immense and considerable concern to the select committee on economic and cultural nationalism of this assembly. I want to let the parliamentary assistant know that the New Democratic Party stands continuously for some method of monitoring, assessing, and if necessary controlling, the ownership of lands by corporations. One of the first steps is to have an efficient method by which one can find out what land is owned by corporations before one can make some decision as to whether one wishes to control the ownership of land in some way.

We have a farce in Ontario with respect to the steps taken by the government in relation to corporate ownership of farm property and non-resident ownership. It is going to be even worse if the concerns which we express are not dealt with in due course in legislation.

I want the parliamentary assistant, the House and anyone else who is interested to know that last February the convention of the New Democratic Party passed this particular resolution, which basically related to the farm community but which also dealt with absentee land ownership. The resolution states:

"Whereas absentee and nonfarm corporate purchasing of Ontario farm land is having a serious and undesirable impact on local communities now; and whereas such a change has disastrous implications regarding the controls of our food land resources in the food production sector of our economy; and whereas we are now well aware of the problems created by absentee control of other sectors of our economy:

"Therefore, be it resolved that the Ontario New Democratic Party press for immediate restrictions being placed to prevent absentee and nonfarm corporate ownership of Ontario farm land; and further be it resolved that a time limit be imposed during which current absentee and nonfarm corporate owners must divest themselves of their Ontario farm land holdings."

That is one aspect which has been up front and centre for all the parties in the assembly over a period of time, but we are dismantling and destroying the only rudimentary process we had for monitoring corporate ownership of land, be it foreign, absentee or other.

I want someone to understand that this erudite report about the esoteric questions of the mortmain law should not allow us to forget what the mortmain law said. It said that corporations cannot hold land except under strict terms and

conditions because it will be, if you will forgive the vernacular translation, "in the dead hand." That is what it meant. In other words, it would always be there.

A vital part of the wealth of the country could be tied up indefinitely in corporations which, as distinct from natural persons, do not have a prophetic biblical period for their lives but which can go on and on forever and forever, as many of them have done in relative terms. To me, this is an essential problem that has to be dealt with. It has to be dealt with apart from mortmain and apart from the corporation law, but it has to be dealt with.

It was interesting to note that this report dealt with all the aspects of policy that needed consideration if we were to go about repealing these obsolete laws. It dealt with the constitutional questions of absentee ownership of land, with the question of restrictions on the ownership of land and with the need for a review of policies with respect to the ownership of land.

What are we getting from the government? It is as if the Ministry of Consumer and Commercial Relations has washed its hands and entrusted this difficult question to the most inappropriate ministry of the government to deal with it, the Ministry of the Attorney General.

It is a matter of immense public concern. I am not projecting my particular views on the topic, although I feel strongly about it; nor am I simply projecting the views of the caucus on behalf of which I stand here to speak this morning on that question.

The ownership of the vital resource of land in the province by corporate bodies, masked or otherwise, or groups of corporate bodies, is one that has to have an effective monitoring system. In farm land it is self-evident. In development corporations it is self-evident. In mining and other natural resource companies it is self-evident. The Tory government is engaged in deliberately, and I could say almost covertly, destroying what rudimentary system was in existence.

I have gone on at some length. In a less intransigent House, I would have moved an amendment to give effect to a consideration of that problem, but I know very well it would be useless. I would be told immediately that it was unwise, that it was inappropriate, that there had been discussions about this question, that there would be an undertaking the government would consider it in the future, that it would be very disruptive at present to deal with it and that therefore I, the member for Riverdale, speaking

on behalf of my caucus, should not intrude that kind of question on the assembly.

Out of deference to this assembly, and not out of deference to the ministry or its advisers, I am not moving an amendment. I have made the point I want to make. Mr. Chairman, I ask you to make certain that somehow or other the procedures of this House on bills of this kind be dealt with in a way in which we can have a meaningful and intelligent debate.

Section 15 agreed to.

Sections 16 to 28, inclusive, agreed to.

12:50 p.m.

On section 29:

**Mr. Mitchell:** Mr. Chairman, the only comment I have is that the words "in the capacity of a legal representative" in the first, second, third and fourth lines of the subsection have been struck out to eliminate unnecessary repetition.

**The Acting Chairman:** Mr. Mitchell moves that subsection 29(8) of the bill, excluding the clauses, be struck out and that the following be substituted therefor:

"(8) A corporation holding shares in itself or in its holding body corporate or a subsidiary body corporate of a corporation holding shares of the corporation shall not vote or permit those shares to be voted unless the corporation or subsidiary body corporate, as the case may be."

Motion agreed to.

Section 29, as amended, agreed to.

Sections 30 to 41, inclusive, agreed to.

On section 42:

**Mr. Mitchell:** Mr. Chairman, subsection 42(3) is a new proposed amendment to follow a similar proposed amendment to the Canada Business Corporations Act related to the national energy program. It excepts from the application of clause 2(d) existing shares that are unrestricted; or, put another way, it limits the application of clause 2(d) to new, unissued shares.

The former subsection 42(3) was an amendment proposed by the administration of justice committee on the basis of a proposed amendment to the Canada Business Corporations Act under the proposed Energy Security Act. When that bill was given first reading in the House of Commons on February 26 the section had been further amended. Our amendment, renumbered subsection 42(4), is to conform for uniformity. The subsection authorizes a corporation to limit the number of shares that may be owned by persons whose ownership would adversely affect



the level of Canadian ownership or control of the corporation.

**The Acting Chairman:** Mr. Mitchell moves that subsection 42(3) of the bill be struck out and that the following be substituted therefor:

"(3) Nothing in clause 2(d) authorizes a corporation to impose restrictions on the issue, transfer or ownership of shares of any class or series of which any shares are outstanding unless the shares are already subject to restrictions described in clause 2(d).

"(4) A corporation may (a) limit the number of its shares that may be owned or (b) prohibit the ownership of shares by any person whose ownership would adversely affect the ability of the corporation or any of its affiliates or associates to attain or maintain a level of Canadian ownership or control specified in its articles that equals or exceeds a specified level referred to in clause 2(d)."

Motion agreed to.

Section 42, as amended, agreed to.

Sections 43 and 44 agreed to.

On section 45:

**The Acting Chairman:** Mr. Mitchell moves that subsection 45(1) of the bill be struck out and that the following be substituted therefor:

"45(1) A corporation that has restrictions on the issue, transfer or ownership of its shares of any class or series in order to assist the corporation or any of its affiliates or associates to qualify under any prescribed act of Canada or a province or ordinance of a territory to receive licences, permits, grants, payments or other benefits by reason of attaining or maintaining a

specified level of Canadian ownership or control may for that purpose or for the purpose of attaining or maintaining a level of Canadian ownership or control specified in its articles, as may be prescribed, sell, as if it were the owner thereof, any of the restricted shares that are owned, or that the directors determine in such manner as may be prescribed may be owned, contrary to the restrictions."

**Mr. Mitchell:** The only comment is, rather than the directors in good faith determining shares that may be owned "contrary to the restrictions," the manner in which the directors may make the determination is to be "prescribed in the regulations." This amendment is prompted by the proposed amendment to the same subsection in the Canada Business Corporations Act in Bill C-105.

**Mr. Renwick:** Mr. Chairman, I want to comment on the section of the bill dealing with the national energy program. As it would perhaps be one o'clock by the time committee reported, sir, with your indulgence, we could cease at this point.

**The Acting Chairman:** With the amendment on the floor, that is where we will pick up on this bill in committee of the whole when it is next called.

On motion by Mr. Robinson, the committee of the whole House reported one bill with certain amendments and progress on a second bill.

The House adjourned at 1 p.m.

## APPENDIX

## ANSWERS TO QUESTIONS ON NOTICE PAPER

## SAFETY AND HEALTH COMMITTEE

**24. Mr. Mackenzie:** Will the Minister of Labour explain what "internal responsibility system" means in the application of health and safety measures in the work place? In particular, will the minister explain how the "internal responsibility system" is to work where there are no joint health and safety committees?

As well, will the minister explain how the "internal responsibility system" works when there is a deadlock over an issue at the level of the joint health and safety committee? [Tabled March 31, 1982].

**Hon. Mr. Ramsay:** The concept of the "internal responsibility system" was developed by Dr. James Ham in the royal commission report on mining health and safety. The essential elements of this scheme, which entails the assumption by employers and workers of a wide range of responsibilities for health and safety in the work setting, are set out in detail in table 51 of the report (pages 150 to 151) and described on pages 146 to 152. The principles underlying this concept are reflected in numerous sections of the Occupational Health and Safety Act, 1978.

The recent report of the joint federal-provincial inquiry commission into mine safety also endorsed this approach. As the Ham report implies, joint health and safety committees are a useful, although not necessarily essential, adjunct to the internal responsibility system.

**25. Mr. Mackenzie:** Pursuant to the lead regulation under the Occupational Health and Safety Act, will the Minister of Labour provide the following information: (a) a list of where and when each assessment was made; (b) whether or not in each case a copy of the assessment was given to each member of the joint health and safety committee; (c) how many disputes have arisen between an employer and a joint health and safety committee as to an assessment required under section 6 or 8 or as to the measures and procedures mentioned in subsection 7(1) or the lead control program or its provisions under section 7 or 8; and (d) is there any time period in which an assessment under section 6 or 8 must be done, what is it, and how many work places and employers have not complied with this requirement? [Tabled March 31, 1982].

**Hon. Mr. Ramsay:** The ministry has identified approximately 660 companies to which the

lead regulation may apply. The regulation became fully effective as of November 12, 1981. A survey of the affected companies is under way to determine compliance.

## MERCURY IN THE WORK PLACE

**26. Mr. Mackenzie:** Will the Minister of Labour indicate, pursuant to the regulation respecting mercury made under the Occupational Health and Safety Act: (a) how many work places in the province will be required to adhere to this regulation, and (b) when will the assessments indicated in section 6 have to be completed in each of these work places? [Tabled March 31, 1982].

**Hon. Mr. Ramsay:** The mercury regulation does not become fully effective until June 7, 1982. A survey has been initiated similar to that for lead to determine where the regulation will apply, so that the appropriate monitoring plan may be developed.

## GAS PRICE DIFFERENTIAL

**77. Mr. Eakins:** Would the Minister of Energy review the gas pump prices in Haliburton county and provide an explanation as to why these prices are in excess of 30 cents per gallon more than the prices in Peterborough or Toronto? [Tabled April 13, 1982].

**Hon. Mr. Welch:** The ministry has reviewed the prices for regular leaded gasoline posted by two of the major oil companies in Haliburton, Peterborough and Toronto. Current prices for regular leaded gasoline vary by one cent to two cents a litre or 4.5 cents to nine cents a gallon in these locations.

Due to the highly competitive nature of the oil industry and the recent "price wars," prices for motor gasoline are extremely dynamic. There may be greater variations between independent dealers, between grades of gasoline and between full service and self-serve stations in these and other locations. The ministry will continue to monitor the situation.

## HYDRO EXPORTS

**78. Mr. Elston:** Would the Minister of the Environment provide copies of the legal opinions obtained by the Ministry of the Environment, the Ministry of Energy and Ontario Hydro on the matter of the supremacy of the



NEB hearing on Hydro-GPU cable? [Tabled April 13, 1982].

**Hon. Mr. Norton:** The material requested has been provided by the Ministry of Energy in response to question 79.

#### WCB/MTV PROGRAM TRANSCRIPTS

**80. Mr. Di Santo:** Will the Minister of Labour table the transcript of the programs that the Workmen's Compensation Board is co-producing on MTV (Channel 47 Toronto) from the first program until April 6, inclusive? [Tabled April 13, 1982].

**Hon. Mr. Ramsay:** Due to the fact that it would cost approximately \$24,000 to transcribe and translate the tapes being co-produced by the Workmen's Compensation Board and MTV (Channel 47 Toronto), the Minister of Labour has concluded that it would be inappropriate to respond to the question as tabled by the honourable member for Downsview.

#### OHIP PREMIUM ASSISTANCE

**81. Mr. McClellan:** Will the Treasurer advise the House how many Ontario residents are eligible under OHIP for: (a) full premium assistance, and (b) partial premium assistance?

Would he also advise the House why he was able to estimate in the 1979 budget book, Budget Paper D, page 8, that based on an analysis of taxation data, 600,000 people were eligible, but in December 1981 claimed to be unable to update this estimate? [Tabled April 13, 1982].

**Hon. F. S. Miller:** The only available source that is useful for determining eligibility for OHIP assistance is the taxation data provided by Revenue Canada. Based on the most recent figures from this source, it is estimated that for 1981, 607,000 persons—319,000 for single coverage and 288,000 for family coverage—are eligible for some form of premium assistance. What is not available because of the nature of the data, as the then Minister of Health (Mr. Timbrell) indicated, is a breakdown between those eligible for full and partial assistance.

These numbers refer to persons to whom the certificate would be issued. They include all those eligible for assistance, with the exception of the elderly, who are fully exempt from premiums. Thus, they include those who are eligible for temporary assistance, full and partial assistance, as well as those on social assistance, since these cannot be identified in the data source.

Following is a comparison of take-up and eligibility data and the methodology behind the estimates.

#### OHIP assistance take-up

	Actual	Eligible	Per cent
Single Certificates	302,110	319,170	94.6
Family Certificates	159,140	288,110	55.2
Total	461,250	607,280	76.0

**Methodology—Reconciling OHIP premium assistance eligibility and take-up:** The only two sources of data that are useful in this exercise are taxation data provided by Revenue Canada and premium assistance data prepared by the Ministry of Health.

**Taxation Data:** Taxation data deal with individuals but not families, and with incomes for a full 12-month period. Therefore, it is extremely difficult to determine the number of units potentially eligible for premium assistance. As a result, a number of critical assumptions were made for the purpose of estimating the eligible population.

Tax filers exhibiting any of the following characteristics are rejected as possible candidates for assistance: (1) taxable income above acceptable limits; (2) age 65 or over; (3) age 17 or under; (4) all single tax filers under age 21 and claiming no dependants (covered by parents or group plans); (5) all tax filers claiming age exemption transferred from spouse (covered by spouse); (6) all tax filers reporting taxable allowances (covered by group plans); (7) all married tax filers filing as single with no dependants and reporting no occupancy cost (covered by spouse who is principal tax filer).

**Health Data:** Ministry of Health data, on the other hand, show the number receiving assistance at a given point in time. There is reason to believe that these figures are high since some beneficiaries do not immediately report a change in their eligibility status (e.g. obtaining employment). This is confirmed by the fact that the Ministry of Health's data on welfare beneficiaries consistently exceeds by one third the welfare case load reported by the Ministry of Community and Social Services. An appropriate adjustment was made in the data.

#### AGRICULTURE RESEARCH PUBLICATION

**83. Mr. Boudria:** Would the Minister of Agriculture and Food provide this House with the total annual cost of production of the publication known as Highlights of Agricultural

Research in Ontario, including all costs of printing, graphics and distribution?

Would the minister also inform the House whether or not such an expenditure represents the most cost-effective use of his ministry's expenditures? [Tabled April 14, 1982].

**Hon. Mr. Timbrell:** Total annual cost of production of publishing Highlights of Agricultural Research in Ontario, including all costs of printing, graphics and distribution, was \$43,305 for 1981.

Research is not considered complete until the results of research become known and used. Highlights is also considered a valuable and positive communication method by both receivers and users of the information and research workers who provide the research stories. The ministry considers the method to be very cost-effective, amounting to less than 0.2 per cent of its research budget.

#### PUBLIC TRUSTEE

**84. Mr. Van Horne:** Would the Attorney General provide the following information concerning the office of the public trustee:

1. What interest was paid on funds to recipients over the last two fiscal years through section 13 of the Public Trustee Act?

2. How much was returned on a \$1,000 estate under the management of the public trustee, after the addition of interest and the deduction of office and legal fees, over these same two years?

3. What is the normal length of time required to respond to complaints concerning the office of the public trustee?

4. What is the normal length of time required to settle an estate?

5. How many complaints concerning the office of the public trustee have been filed with the Ombudsman's office over the same two-year period? [Tabled April 14, 1982].

**Hon. Mr. McMurtry:** 1. Investments are made on behalf of individual estates, usually in Canada Savings Bonds, guaranteed investment certificates or deposit receipts, and the estate receives the interest rate which the security pays. Any surplus funds which are being held for the purpose of clothing, pin money or payment of maintenance (usually less than \$5,000) are invested under the Financial Administration Act. These funds have been mainly invested in Province of Ontario or Ontario Hydro Bonds, although for the last two years investments have been made in the short-term money market.

Interest on those funds has been paid at 9.75 per cent until February of this year when the rate was increased to 10 per cent.

2. It is not possible to answer this question in general terms since it would depend in what form the \$1,000 came to the public trustee, what interest was gained and how much legal work, if any, was involved. In the simplest terms, the estate would receive the \$1,000 plus whatever interest was earned, less compensation calculated at the standard rate of 2.5 per cent on all money coming in and 2.5 per cent on all money being paid out. In a hardship case, the compensation would probably be waived.

3. This would depend on the nature of the complaint and to whom it is made. Complaints may be made informally to a lawyer or estates officer on the staff of the public trustee or they may be forwarded by a member of the Legislature directly or through the Attorney General or by the Ombudsman. Normally, complaints are answered within 48 hours of being made known to the public trustee.

4. The time required for the administration of an estate depends on many things outside the control of the public trustee, e.g. how quickly the matter is brought to his attention, what information is available to him from friends and neighbours of the deceased, the complexity of the assets in the estate and the quickness with which beneficiaries provide heirship documents. Proof of heirship may be delayed by lack of interest of beneficiaries, delay by solicitors representing beneficiaries, obtaining documents in foreign countries, having documents translated. One year is an optimum time, but some estates may never be settled because information is never provided.

5. Eleven complaints were made to the Ombudsman in 1980 and 10 in 1981. To date, no complaints made to the Ombudsman concerning the office of the public trustee have been substantiated and upheld.

#### SECRET/CONFIDENTIAL DOCUMENTS

**92. Mr. Foulds:** How many ministry documents in each ministry are classified as "secret" or "confidential"? Would the ministry list the subject matter of each such document and the reasons for classifying each such document as "secret" or "confidential"? [Tabled April 16, 1982].

**Hon. Mr. McCague:** To obtain the details necessary to fully answer this question would



entail hundreds of man hours of work. This would incur considerable expense and seriously tax the staff resources of many ministries at this time.

#### INTERIM ANSWER

**88 to 90. Mr. Elston:** Hon. Mr. Norton—Additional time will be required for us to provide an answer to the above question. The response should be available on or about May 6.

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No. 39

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Monday, May 3, 1982

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Monday, May 3, 1982

The House met at 2 p.m.

Prayers.

## POLISH CONSTITUTION

**Mr. Newman:** Mr. Speaker, I rise to bring to the attention of the House a constitution that was proclaimed 191 years ago today. May 3 is a very important date in the turbulent history of the Polish people. Throughout this history, religious and political concepts have been inextricably intertwined, which makes it singularly appropriate that May 3 is both a religious and political milestone.

More than three centuries ago in 1656, the King of Poland, Jan Kazimierz, issued a religious and political proclamation to the effect that the Holy Virgin Mary should henceforth be known as Queen of Poland and that May 3 should be recognized as the Feast of Our Lady, Queen of Poland.

In 1717, Pope Clement XI, sent to Poland a crown for the coronation of the miraculous picture of the Blessed Virgin Mary of Czestochowa, giving the papal blessing to the King's earlier proclamation. Since that time Czestochowa has been revered as the official spiritual capital of Poland, Jasna Gora as the throne, and the picture of Mary of Czestochowa as the blessed personification of the Queen of Poland.

May 3 is also the anniversary of the proclamation of the constitution which took place in 1791. In the 191 years since that date, Polish people in Poland and all over the world have been caught up in a struggle for survival, in a battle for a national identity which, in spite of enormous courage and dedication, seems never ending.

Any attempt to understand the tremendous importance of the 1791 proclamation must be made against the background of the events in Poland throughout the 17th and 18th centuries. This was a period of political, economic, cultural and even moral instability. The Polish homeland was caught up in numerous wars—with Sweden, Russia and the Cossacks. While the power of the monarchy was weakened, almost destroyed, other powerful forces were evident and the country was in a state of chaos.

During the second half of the 18th century, the Polish people began to hope once again that

stability might be achieved and that their country would move towards fulfilling its destiny, no longer threatened by the great powers, Russia, Prussia and Austria.

It was in this atmosphere of renewed hope and optimism that a deputation was appointed by the Sejm, with instructions to prepare a new constitution. After four years of work, the King, the Senate and the Sejm agreed on the basic principles of that new constitution, which was proclaimed on May 3, 1791.

Here in Canada we are concerned at this time about the ramifications of our own Constitution and its effects on the future of this country and its citizens. It is particularly appropriate that we examine, in this context, the changes that were incorporated in the 1791 constitution of Poland.

The new constitution removed from the nobility their dominant political and economic influence. No longer were they able to act in a tyrannical fashion. Townspeople or burghers were permitted to hold high office and to become land owners. Hitherto, the Senate had been the senior legislative power; this role now was undertaken by the Sejm. All religious denominations were promised freedom of worship and tolerance for their religious beliefs.

Throughout Poland, the Polish people celebrated the new constitution, which they saw as a major step towards achieving democracy and gaining greater status in the family of nations.

World events have wounded this proud country, but still its people battle for independence and integrity in the spirit of the 1791 constitution, which continues to be a source of inspiration for the Polish people.

The latest developments in Poland, with the rise of Solidarity and the tremendous strength of its supporters in the face of frightening and overwhelming odds, are renewed evidence of the determination of the Polish people to rise above dreadful adversity.

Solidarity and its 10 million members are fighting for freedom, human rights and new reforms in spite of the tremendous weight of the Iron Curtain regime. Terrorism and hardship are the daily companions of the Polish people, yet their courage and determination is an inspiration to the whole world at this time.



Throughout their trials, their religious faith continues to sustain them, as does their fervent desire that they will eventually gain victory in the long struggle to make Poland truly the homeland of the Polish people, unfettered by outside pressures or foreign regimes.

Let Poland be Poland.

**Mr. Shymko:** Mr. Speaker, I would like to join the member for Windsor-Walkerville in highlighting the symbolism of the anniversary of the Polish constitution and the May 3 celebrations, which I am sure were observed by Canadians of Polish origin in every riding in this province and throughout this country.

I will not go into the historic details, as the honourable member has presented a detailed account of the tragic circumstances surrounding that great event at the turn of the 18th century. The symbolism is so obvious today because on May 3, 1981, prior to the tragedy of martial law in Poland, that event had been celebrated throughout Poland for the first time under a political regime that had given some relative freedom in allowing the Polish nation to demonstrate the historic linkage of a nation whose struggle for freedom and independence went through tragic periods of persecution, of genocide, of the annihilation not only of the people but of their struggle for cultural and national independence.

2:10 p.m.

On May 3 of the year when Solidarity was at its peak, in Warsaw such celebrations were allowed and occurred. It is my understanding that this year attempts were made in Poland to hold celebrations to commemorate this event. These celebrations unfortunately were not allowed by the regime because of the crack-down.

When a nation tries to highlight its self-respect, its self-dignity, its right to live as a free and independent people within the family of freedom-loving nations of the world, that expression is not related to any ideological or socio-economic philosophies but basically stresses the historic survival of a nation and the tragedies it experienced at the turn of the 18th century through the invasion of Russia and of Prussia and the third partition of Poland that followed.

We see a striking repeat of the cycle of history today when the spark of hope was represented by the Solidarity movement in its association with the historic struggle of the people, but now even talking about the May 3 constitution constitutes an illegal act by raising the hope of

that symbolism historically that occurred close to two centuries ago.

If it is a crime to talk about the historic struggle of a people for independence, then any semblance of independence the present regime may try through its propaganda to evoke and present to nations and states in the world is a total farce. It is a comedy which becomes more obvious when the constitutional celebrations cannot be allowed. Despite an attempt to justify the present martial law and to give the pretence that it is the only option, that the Polish nation is still free to decide its decision-making process, that there has been no intervention from the Soviet Union, we see clearly and specifically that what happened in the partition of Poland close to two centuries ago is happening today—a people has been partitioned.

It highlights more than ever before that the colonial czarist empire that destroyed the last vestiges of freedom of the Polish people two centuries ago has been replaced by another empire that is moving in the same direction to deprive the people of these freedoms.

So, on this side of the House, I join all members who share in the symbolism and the meaning of that particular celebration and I join the member for Windsor-Walkerville in the respect he has placed before the ideals represented by the struggle of the Polish nation and all the freedom-loving peoples of the world.

**Mr. Foulds:** Mr. Speaker, I just want to join very briefly so that it is understood that all members of the House celebrate and join in the symbolism of the day. The Polish people have for many centuries struggled for freedom and independence. They are known as fierce fighters for freedom and independence and it should not go without being said today that that expression finds itself most visibly through the trade union movement, and it is that movement that at the present time is being most ferociously repressed.

## STATEMENT BY THE MINISTRY

### PHYSICIANS' SERVICES

**Hon. Mr. Grossman:** Mr. Speaker, as someone who had all four grandparents emigrate from Poland in the early 1900s, it is a pleasure for me to rise on this particular day.

I am pleased to confirm to the House today that we have negotiated a settlement with the board of the Ontario Medical Association. Its chief negotiator advised me late Saturday afternoon that a proposal arrived at during

negotiations earlier that day had been accepted by the board of directors.

The board will present it for final acceptance by its council on Friday. The board of the OMA has stopped all job actions and medical service in Ontario has now returned to its normal pattern. The settlement is for a five-year agreement comprising 10 staged increases between now and April 1987.

I believe, and my colleagues in the government share this belief, that it will provide Ontario physicians with fair compensation and is within the financial capacity of the taxpayers of Ontario. We have reached agreement on most of the increases involved. We have also set up a framework which will make it much easier for the OMA and the government to agree on economic adjustments in years four and five, and the renegotiation of year three if necessary.

The agreement was finally reached after a lengthy negotiating session on Friday and into early Saturday morning. It culminates more than five months of bargaining between representatives of the government and the Ontario Medical Association. I think it is important to remind this House that the burden of these negotiations has been carried almost daily over these five months by the four members of our negotiating committee and some of the senior staff of my ministry.

I know the House will join me today in a public expression of appreciation to Mr. Robert Butler, the chairman of the board of Phoenix Capital Corp. who has been a most skilled, persistent and committed chief negotiator, and his associates Peter Riffin, the vice-president of Noranda, Dr. Boyd Suttie, one of my assistant deputy ministers, and Rollie Scott, the executive director of staff relations for the Civil Service Commission.

I also want to take this moment to pause in my prepared remarks to pay equal tribute to the four negotiators on behalf of the OMA who were difficult, but also skilled and persistent negotiators. I want to pay my respects to them.

The advice which our advisers and our negotiators gave us, which Mr. Butler shared continually with me and my deputy minister, Graham Scott, encouraged us to press on past each apparent impasse and to maintain a tone and position which I believe allowed us to reach a negotiated settlement.

I want to stress this because physicians across Canada have become frustrated over the years. During their job action, many of them read all actions by this House and all public comments

about these negotiations in an antagonistic mood. As a result, many of the Draconian actions which were advocated against physicians or any intemperate remarks by us could easily have poisoned not only these negotiations but the climate in which health care is delivered in Ontario for years to come.

This government remained confident that the integrity and professionalism of the physicians of Ontario would preclude them from actions which would place the safety of their patients in jeopardy. In spite of a few unfortunate incidents which the College of Physicians and Surgeons is pursuing, our faith is, I believe, justified.

This is not to say that we accept or even condone these strikes by doctors which have become new phenomena in medicare in Canada, because we do not believe they contribute in any positive way to a resolution of problems in the system which frustrate many physicians.

None the less, the mood of physicians is real and is important. Its underlying cause was the subject of much of my meeting with the board of the OMA last Wednesday. I believe our dialogue over our shared concerns about the health care system at that time and the government's unequivocal commitment to medicare was quite useful.

Because this agreement provides a sufficiently long period to address those concerns without the ongoing stress of negotiating compensation, I believe it will be seen as a watershed for health care in Ontario.

**2:20 p.m.**

I want to emphasize what I said a month ago: we regard medicare as one of the most precious possessions of the people of Ontario and we are determined to protect and, indeed, enhance it.

Under the agreement, we are enriching the schedule of benefits by 11 per cent as we announced on April 1 and a further three per cent as planned on January 1, 1983.

We will increase our previous offer of eight per cent next April to 8.75 per cent and the three per cent as originally proposed for January 1, 1984, will stand.

In the third year of the agreement, we will provide an economic adjustment of seven per cent on April 1, 1984 unless the OMA asks to renegotiate this amount. A further three per cent will be applied automatically on January 1, 1985.

For the fourth and fifth years of the agreement, we will negotiate economic adjustments on April 1 against some agreed standards of



economic activity and will provide four per cent increases on January 1, 1986 and 1987.

The agreement provides a framework for negotiating the undetermined amounts for the fourth and fifth years and should facilitate a settlement. It also contains an option to cancel the final two years of the agreement if the OMA concludes that the negotiating procedure is not working satisfactorily.

As the members can see, the twice-yearly adjustments were developed within the framework proposed by Professor Paul Weiler in his recommendation for a one-year agreement. As such, it contains an economic adjustment each year, as well as an annual amount to allow physicians to recover some of the losses which Professor Weiler found they accepted through agreements in the 1970s.

To recap, the adjustments are: on April 1, 1982, and the following January 1, 11 per cent and three per cent; April 1, 1983, and January 1, 1984, 8.75 per cent and three per cent; on April 1, 1984, a seven per cent floor to be negotiated at the option of the OMA, followed by three per cent on January 1, 1985. The amount on January 1, 1985, is to be negotiated followed by a four per cent adjustment on January 1, 1986. On April 1, 1986, an amount to be negotiated, and on January 1, 1987, a further four per cent.

We have agreed that the seven per cent scheduled for April 1, 1984, may be renegotiated at the request of the OMA. They may also cancel the final two years if, as I indicated earlier, they believe the process is not satisfactory.

As the members will see, we enriched our three-year offer from 34 per cent additive to a minimum of 35.75 per cent, which we will compound. As well, we have provided four per cent instead of three per cent in the fourth and fifth years to deal with the problems which Professor Weiler found were caused by the rate of increase in physicians' income in the past decade.

In conclusion, I want to repeat my view that this agreement addresses the concerns of physicians for a fair remuneration and provides us with time to deal with the many other pressing demands within the health care system.

I intend to use these years to respond to the issues and suggestions from physicians, their patients, other health care providers and the public to improve our capacity to deliver what we all regard as one of the finest health care systems in the world.

We all acknowledge that these annual negoti-

ations produce trauma which the system does not need. I believe this longer-term agreement will be seen as a watershed for medicare.

We are satisfied that the agreement is fair and it is affordable. It reflects our government's determination to arrive at a settlement we could all accept. I believe we have done this.

**Mr. McClellan:** On a point of order, Mr. Speaker: I seem to be missing the last page of the statement. I do not have the price tag. I am sure it was an inadvertent oversight on the part of the minister that he neglected to provide us with the cost of the settlement.

**Mr. Peterson:** Mr. Speaker, on behalf of my colleagues may I say we are very happy that this unfortunate matter has drawn to a close and we will now see our facilities put back into full use across the province.

## ORAL QUESTIONS

### OHIP PREMIUMS

**Mr. Peterson:** Mr. Speaker, I have a question to the Premier in the absence of the Treasurer (Mr. F. S. Miller). Will the Premier instruct the Treasurer to call upon resources currently available to finance this new agreement, and not increase personal income tax or Ontario health insurance plan premiums in order to pay for this, particularly at this time of recession?

**Hon. Mr. Davis:** Mr. Speaker, I think the Treasurer is aware of the present economic situation. I am not in a position to tell the House what the Treasurer will provide us with a week from this Thursday. The Leader of the Opposition will have an opportunity to comment, as I am sure he will in a very constructive and supportive way, on that Thursday evening when we know what the Treasurer has determined.

**Mr. Peterson:** According to the ministry's own figures the original final offer of April 1 was to cost \$650 million, and the final final offer's total cost for three years was \$742 million. So there is a difference of some \$86 million between the first final offer and the final final offer.

Would the Premier not agree that he can find the resources within his budget of some \$20 billion without bringing in a tax increase at this time to pay for that increase?

**Hon. Mr. Davis:** There are one or two points that the Treasurer might make. Like all of us he is reluctant to have tax increases at any time. However, with regard to the hypothetical question of premiums it is fair to state that I believe our support to the health system was increased

by somewhere around 19 per cent to 20 per cent in this past fiscal year. That is just a rough guess and the honourable member may care to verify that.

The premium share of the cost is probably somewhere in the neighbourhood of 18 or 19 per cent. The Minister of Health (Mr. Grossman) can correct me if I am wrong but I think I am fairly close. I think the people of this province understand that if we are going to have the finest health care delivery system anywhere in the world, which is what we do have, and I say that very modestly—

**Mr. Bradley:** You are the only one who says it.

**Hon. Mr. Davis:** I would ask the honourable member to show me any place in North America where the quality is better and where it costs the average taxpayer less money. You cannot find one because there is not one. You know that, and it bothers and disturbs you.

**Mr. McClellan:** Mr. Speaker, will the Premier give us assurance that the burden of paying for what I assume to be a \$1-billion settlement will not be imposed on the backs of OHIP premium payers?

I ask this in the light of the answer to the written question tabled in the House by the Treasurer on April 22, in which he admits that only 55 per cent of families eligible for premium assistance in Ontario are actually receiving premium assistance. Surely the Premier can give us a commitment not to use this regressive form of taxation to pad what is so obviously an inadequate cushion?

**Hon. Mr. Davis:** Mr. Speaker, we have debated the question of whether medicare should be financed through premiums or in some other fashion. I know the New Democratic Party would finance it by imposing a much higher personal income tax or corporation tax, forgetting that for many people the premium is paid for by their employers.

Under the system in this province, those who cannot afford to pay the premiums do not pay them. At the risk of upsetting the member again, and just in case he did not hear me before, I repeat that premium payments account for roughly 19 per cent of the total cost of the finest health care system anywhere in North America.

**Mr. Nixon:** Mr. Speaker, after consulting with the Minister of Health and with the Treasurer when he returns, could the Premier undertake to table a statement in the Legislature about the expected costs on a year-by-year

basis; at least for the first three years, since the final two are still so far in the future.

**2:30 p.m.**

Would it also be possible to give the kinds of figures we could use in consulting with doctors and others about average pay? The doctors do not accept the figures that have been used by the minister and his negotiating group for some considerable time. The doctors I talk to are not prepared to see this agreement as giving them \$100,000, even though they consider themselves to be in the average income scale.

With that information available, does the Premier not feel that it would be possible for him to consult with the Treasurer, along with his other colleagues, and assure the people of Ontario that we are not going to have to raise the premiums paid through the Ontario health insurance plan? The Premier will surely remember that when he attempted to do that one other time, it was clearly the will of the people that he not do it. Surely he would not consider doing that again under these circumstances.

**Hon. Mr. Davis:** Mr. Speaker, over the years I have found that, whatever tax increase there might be, if one were to ask the average person he would say, "I am not enthusiastic." That is one of the realities we in government have to face. I also know that over the years—

**Mr. Nixon:** But you had no new taxes in election year, so what is the difference?

**Hon. Mr. Davis:** The honourable member will recall that we have increased premiums in other years. We have discussed it. I am not sure what the Treasurer is going to do. As I said to the gentleman who asked the question, it still represents less than 20 per cent of the cost of the system.

The premiums are paid for in some cases by people who can afford to pay them. Those who cannot are not required to pay them. Of course, many premiums are paid as part of collective agreements.

If the honourable member would like the specifics, the Minister of Health could tell him within two or three percentage points the amounts required in the first three years of the agreement. The House leader of the Liberal Party is quite accurate. It is not possible to give a projection for years four and five because the upper line of those two years is a matter for negotiation with the procedures and general terms laid down.

In my discussions with some doctors over the past couple of weeks there has been some



disagreement as to averages, in their perception at least. I think we should be reminded that Professor Weiler, when he did his factfinding report this year, used much of the material, used roughly the same data that was available to the medical profession a year ago. The recommendation was—and the minister can correct me if I am wrong—somewhere around 14 per cent, which we accepted and they accepted.

There can be some differential in the minds of some doctors because one is talking of averages. For instance, the average in Kirkland Lake, perhaps even in St. George, might be somewhat less than that in the city of Brampton or in Metropolitan Toronto. But we are dealing with averages. One can always debate or disagree on these, but I sense that when the Ontario Medical Association executive committee came to its conclusions on Saturday there must have been some fairly close agreement as to the basis upon which the percentages were calculated.

If, when it becomes his turn, the member for Brant-Oxford-Norfolk would like to ask the minister a question as to the specifics for years one, two and three, I think he will find the Minister of Health is in a position to give him those approximate figures.

#### SPADINA EXPRESSWAY

**Mr. Peterson:** Mr. Speaker, I have a question for the Premier with respect to the Spadina expressway matter, which is very important today because of certain commitments the minister made on behalf of the Premier. Will the Premier tell us when the issue of expropriation of the Spadina lands will come before cabinet? When does he intend to move? When will he actually take possession of those lands to honour the long string of promises he and his minister have made?

**Hon. Mr. Davis:** I am delighted that the honourable member has raised this as his second question today. I really had been prepared for two or three others. I will not comment as to the priorities that I would have established if I had been in his position.

Interjection:

**Hon. Mr. Davis:** No question, the leader of the Liberal Party is on to the most significant issue in Ontario at this moment, there is no doubt about that. I have to tell the member for Brant-Oxford-Norfolk (Mr. Nixon) that the residents of St. George could not care less one way or the other. I would also have to say it is not the highest priority for the residents of Brampton,

but I know it is in London Centre, so I will endeavour to answer that question.

I must also say how delighted I am to find the leader of the Liberal Party of Ontario apparently in support of what has been the government's position for the past number of years because I can tell him, his caucus was quite divided on this subject not too many years ago—I can recall it very vividly; which is consistent with his inconsistencies.

**Mr. Bradley:** Is this the promise? Keep the promise.

**Hon. Mr. Davis:** I would say to the member for St. Catharines (Mr. Bradley) we promised a courthouse in his municipality; we are building it, and I noticed he was front and centre when the sod was turned, beaming to everybody there, congratulating himself upon this great structure—

**The Acting Speaker (Mr. Cousens):** The honourable Premier will answer the question.

**Hon. Mr. Davis:**—just like he does on every initiative taken in St. Catharines.

**The Acting Speaker:** Please answer the question.

Interjection.

**Hon. Mr. Davis:** He did not promise it, we did.

I am just reading a part of a letter from the chairman of the municipality of Metropolitan Toronto to the Minister of Transportation and Communications (Mr. Snow), which I assume is in reply to the letter from the Minister of Transportation and Communications relative to the Spadina. I have not had an opportunity to discuss this matter with the Minister of T and C but I will read the letter and I will give an opinion:

"I have no difficulty in suggesting an agreement based on your November 1975 letter"—that is the letter that talks about the exchange etc.—"but, plainly, it is going to take some small further period of time"—small, I have that underlined—"to achieve.

"I would suggest to you that we continue discussions and that you continue construction of the Black Creek southwards"—I guess that is part of Highway 400—"and that both of us work towards completion of an agreement at the time the road is completed."

I can only say that I am encouraged by this letter from the chairman of Metropolitan Toronto who indicates that, from his perspective, there will be no problem in completing the agreement but that it will require some small—I emphasize small—additional amount of time.

**Mr. Peterson:** The Premier has had more positions on this than the Argos have had coaches. But let me point out to him his last position, as stated by the minister on March 4, that if for any reason the agreement to turn the Spadina lands over to the province is not executed by May 1, 1982, the ministry would immediately initiate expropriation procedures to acquire the Spadina lands. That was a clear and definite position.

My question to the Premier is a simple one: When is he going to introduce that legislation to honour the promise that he has made?

**Hon. Mr. Davis:** Mr. Speaker, the honourable member provokes me by referring to my favourite football team. I do acknowledge they have had a variety of coaches over a number of years, but I would also say to the member for London Centre that while they may have had a number of coaches they have not had a lot of success, and in terms of electoral success his party reminds me of the success of the Toronto Argonauts, which is zip.

The predecessor to George Hutchinson had the greatest line of all, "Joining the Liberal Party to work for the Liberal Party is like joining the Argonauts." Does the member recall that phrase? I thought it was excellent. I felt badly about it, but it was true.

Our position on this really has been quite consistent. I want to make that abundantly clear. The minister, in order to bring this matter to a conclusion, wrote that letter to the chairman of Metropolitan Toronto, I assume, some few days ago saying that if nothing happened he was prepared to recommend to cabinet this additional step. I cannot give the exact date of the letter although I think if I look for it I might find it.

**2:40 p.m.**

The chairman of Metropolitan Toronto, in his usual constructive, conciliatory way, has communicated back that he has no problems with this other than it will take—and I emphasize—a small amount of time. I can assure the leader of the Liberal Party that no one has been more committed to this policy than I have, including his party and the members of his caucus. We will assure that the commitments given will be fulfilled.

I would only point out to the leader of the Liberal Party that if he checks the Allen expressway, as it is called, if he comes down it to the Eglinton—

**Mr. Nixon:** Roadway.

**Hon. Mr. Davis:** Roadway—he will find that south of Eglinton there is no indication of any construction activity; no bulldozers, no surveyors, no nothing.

**Mr. Martel:** Do you get paid by the word, Bill?

**Hon. Mr. Davis:** Yes.

**Mr. Martel:** It's obvious.

**The Acting Speaker:** Order.

**Mr. MacDonald:** Mr. Speaker, the position of the Premier on this issue is very clear. It has been clear for 10 years. The position of the minister, in support of the Premier's position, was reiterated on March 4, by saying that if there was no settlement as of May 1, they were going to move to expropriation.

My question to the Premier is this: Why, when that deadline of May 1 came, was the position of the government changed by the Deputy Minister of Transportation and Communications saying he was willing to accept the representations of Mr. Godfrey? Everybody knows Mr. Godfrey's position is not the Premier's. He is not in favour of a strip that will make certain that the Spadina expressway is not built.

What further is negotiable? What is negotiable between now and the fall that cannot be finalized in accordance with the letter of the minister of January 4, to move to expropriation if there is no resolution by negotiation?

**Hon. Mr. Davis:** Mr. Speaker, I am delighted that on some occasions, at least, the member for York South does recognize that our position on this issue has been constant and consistent.

**Mr. MacDonald:** Oh, no; it is in the process of shifting.

**Hon. Mr. Davis:** No, it is not in the process of doing anything of the kind. I would say to the member for York South that no one has ever left the impression that the chairman of Metropolitan Toronto may not have quite the same perspective on this issue. That has never been a matter of debate. Everybody has understood that. I respect his point of view. He obviously respects mine because nothing has been built.

I am sure the member for York South, who is a conciliator on some occasions, would understand that as we approached the May 1 deadline, when the chairman of Metropolitan Toronto said, "Listen, I think we can get this resolved without going through the necessity of expropriation," we, being the kind of people we are, wanting reason and light to prevail without going through this if it is not necessary; surely



the member, as one who has dealt with negotiations for a good part of his life, would support the position of the government in endeavouring to bring this to a negotiated settlement. That has been his philosophy, not compulsory arbitration which expropriation would represent.

**Mr. Peterson:** Mr. Speaker, it is an appropriate time to congratulate the Premier on his humanitarian award over the weekend because he will never again win a transportation medal, let me assure him of that, with that kind of performance.

The Premier is aware that Mr. Godfrey would like Metro to build roads of some type or other in the Spadina corridor. He is aware that he would like to prevent the city from getting the three-foot strip across that corridor.

Do we have the Premier's assurance that those things will not be done? Do we have his assurance that we will not be building roads in that corridor and he will give that three-foot strip to the city? Do we have his assurance of that?

**Hon. Mr. Davis:** I do not think we should remind the Liberal Party that they wanted the road built.

**Mr. Nixon:** You were going to build a road and now you're not.

**The Deputy Speaker:** Order, let the Premier respond, please.

**Hon. Mr. Davis:** I would remind the leader of the Liberal Party that his former leader was in touch with potential candidates in that corridor, hemming and hawing that if one is a candidate, we might build it. I would not remind him of any of those things because he will not face that for another three years. Chances are he will not have any better luck.

I can assure the honourable member that we do not intend to see any construction relative to roads south of Eglinton. I give him that assurance. I have given it many times. I will be prepared to give it many more times, if he asks me. I am just delighted to get up here and reconfirm it time and time again.

I appreciate the member's reference to the award over the weekend and I agree with him, I will not receive another Transportation Man of the Year Award because they can give it to each recipient only once.

#### EXTRA BILLING

**Mr. Foulds:** Mr. Speaker, I would like to return to the Minister of Health.

Now that he has come to an agreement with

the Ontario Medical Association, does he not think the members of the OMA should abide by that agreement and, therefore, will he now tell us when he plans to end extra billing?

**Hon. Mr. Grossman:** Mr. Speaker, just on the off-chance that the member was not present last week for the answer, though he did ask the questions, may I reaffirm this government's commitment and belief in extra billing. Let us make clear we understand that. We believe extra billing is part of what keeps this health care system in Ontario working well. We believe it is not being abused. We believe that as long as the OMA continues to live up to its agreement to provide services at opted-in rates to every citizen of this province, we will not have a problem.

As I indicated last week, we monitor that on a continuing basis. At the present time we do not intend—nor in the foreseeable future, just so the member does not take that as a limiting factor—to end opting out in this province. We think it works very well.

**Mr. Foulds:** Can the minister then tell us what the purpose of the agreement is, and can he tell us how much the patients of Ontario have to pay for this extra component, this third component of payment for their health care in addition to premiums and taxes?

How can the minister sit here in this House and assure us that the people of Ontario have universal access to the health care system when two out of three anaesthetists across the province are opted out, when one out of five general surgeons are opted out, when two out of five orthopaedic surgeons are opted out and when two out of five gynaecologists are opted out?

What kind of accessibility does that give to the people of Ontario? In particular, with the number of opted-out anaesthetists, would the minister not agree that no person in this province is safe from extra billing if he or she faces major surgery?

**Hon. Mr. Grossman:** First, let me say that while the net effect—I am sure the member has missed this—of the settlement we made is that the patients of opted-out physicians will have to pay less out of their pockets to obtain—

Interjection.

**Hon. Mr. Grossman:** Do you want to let me finish? If the member has those calculations from his Health critic he should not have asked me for them. But in fact his calculations are wrong.

In point of fact, this will decrease the gap

between the Ontario health insurance plan schedule of benefits and the OMA fee schedule.

The net effect is that the patient who goes to an opted-out physician and is extra billed will pay, in terms of the relationship between the two fees, relatively less than had this arrangement not been entered into. In percentage terms the gap is, in fact, closing.

Second, just so that the figures the member tosses around are put in some perspective, while 14.6 per cent of all physicians in Ontario are opted out, only six per cent of the services provided are extra billed. That indicates a couple of things. First, many physicians who are opted out are not extra billing, they are opting out on principle.

Interjections.

**Hon. Mr. Grossman:** I know the member is having a hard day because he was hoping there would not be a settlement and I understand that. Just take it easy.

Second, it also means that a lot of physicians—and I know he will again find this hard to believe from his standpoint but not from ours—look at the situation on a one-on-one basis. That is, a lot of opted-out physicians, when they know their patient cannot afford to pay the extra amount they bill, in fact do not extra bill even though they have the right to.

That is absolutely true and the figures are proof of it. Six per cent of OHIP claims are extra billed while 14.6 per cent of all the physicians are opted out.

On the last point raised about the opting-out levels in certain areas, regarding the agreement between the OMA and the government I can say to the member that the statement he has made is not accurate, it just is not accurate. The OMA has assured us that all citizens of this province are safe from extra billing if they cannot afford it.

2:50 p.m.

I believe that as a result of the way these negotiations have been handled, in spite of some extreme pressure and extreme statements from the opposite side of the House, we have been left in a position where, through that difficult experience the OMA retains some respect for this government and will live up to its agreements.

Interjections.

**The Deputy Speaker:** Order. Mr. Minister; I know it was a long question and it is an extra-long answer.

**Mr. McClellan:** Mr. Speaker, I would like to ask the Minister of Health if he can clear up the differential between the OHIP fee schedule agreement signed on the weekend and the OMA fee schedule passed by their council in February. It is my understanding, and I stand to be corrected and would be pleased to be shown to be wrong, that there remains a differential of 30.2 per cent between the fee schedule the minister settled for on the weekend in the first year and the OMA's fee schedule.

In view of the fact that we estimate that in 1980-81 extra billing from opted-out doctors cost the patients who were being extra billed something on the order of \$41 million because of the differential, the question asked by the deputy leader still stands: What will the cost of extra billing be in Ontario in the coming year, 1982-83, as a result of the minister's billion-dollar settlement, which permits doctors to continue to extra bill their patients?

**Hon. Mr. Grossman:** Mr. Speaker, let us just get this silliness about a billion-dollar settlement out of the way. If we had made a 10-year or 20-year deal then the member could call it a multibillion-dollar settlement. The question is, what is the yearly impact of the settlement? And if the member has been paying attention during the last couple of years he will remember that last year the physicians got 14.75 per cent, this year they will be getting 14 per cent and next year they will be getting 11 per cent. That trend is in accordance with what is happening with incomes at this time in Canada.

The member wanted to get out this nonsense about a billion-dollar settlement because he wants to take it to its extreme in year five. If he wants to talk about it on a yearly basis, which is the only way one can measure it against previous settlements—so he does not get into this situation where he can blithely walk around the province saying things like we on the government side golf with the doctors, as the opposition party member from the diplomatic corps likes to say, or that we have made billion-dollar settlements; so he can have it accurate, because I know he will want to be accurate the member can tell the people throughout this province that we have entered into an agreement with the OMA which calls for an increase in a \$1.3 billion budget for OHIP of \$218 million this year—

**The Deputy Speaker:** Time.

**Mr. Martel:** When are you going to answer the question?



**Hon. Mr. Grossman:** Does the member want the information or not? He does not want the information, does he? Mr. Speaker, if they want the information—

**The Deputy Speaker:** I am sure the answer lies somewhere in your response.

**Mr. Foulds:** Mr. Speaker, your faith is touching, I may say.

#### OHIP PREMIUMS

**Mr. Foulds:** Mr. Speaker, with some hesitation I return to the Minister of Health with a new question. I quote from the Toronto Sun of this morning:

“Health Minister Larry Grossman said he doesn’t believe OHIP rates will go up as a result of the fee pact the Ontario Medical Association accepted Saturday. ‘The agreement with the doctors cost us only a few million dollars more than we had budgeted for last year,’ Grossman said yesterday. ‘It’s not enough to cause a rise in OHIP premiums.’”

Can the minister give us a categorical assurance that there will not be an increase in OHIP premiums this year? Has he consulted with the Premier (Mr. Davis) about that, or has he consulted with the Treasurer (Mr. F. S. Miller) about that?

**Hon. Mr. Grossman:** Mr. Speaker, to put that in context—

**Mr. Martel:** Oh, oh. That’ll take 10 minutes. Interjections.

**The Deputy Speaker:** Order.

**Hon. Mr. Grossman:** I know the honourable member did not want me to put his billion-dollar settlement in context; so I am sure he would not really want me to put this in context either.

The question posed to me by the reporter was, will this extra settlement have an impact on the problems the Treasurer faces in terms of his budget this year?

**Mr. Foulds:** The reporter actually used the word “impact”?

**Hon. Mr. Grossman:** Why not wait until I have finished?

The cost of the difference between our April 1 offer, as implemented, and the final position is \$2 million. I went to great pains to point out to the journalist that I was not talking about the 14 per cent increase over the year, which obviously costs the province \$218 million.

To make it absolutely clear, the reference in both the question posed to me and the answer was that the difference, i.e. the impact of the

settlement versus what was implemented on April 1, was \$2 million on a \$20-billion budget. Therefore, I said the impact of the increase between April 1 and whenever the settlement was ultimately agreed, was \$2 million and I expected that in itself would not likely have an impact on premiums. Which was not to say the \$218 million did not present a problem for the Treasurer as he looks at a variety of tax mechanisms, of which OHIP premiums are just one and happen to cover only one quarter of my own ministry’s budget.

**Mr. Foulds:** Is the minister telling us that in his conversations with the Treasurer and the Premier it has already been decided and that there has been a budgeted increase in OHIP fees for the coming year because of the impending settlement?

Can the minister indicate whether, in his discussions with the Treasurer and the Premier, there was any discussion about what else could be done with the \$700 million—give or take a million here or there, as the Minister of Health says—in other social and economic fields? For example, does the minister realize that the settlement arrived at with the OMA could raise 500,000 people in this province, such as seniors, those receiving the general welfare allowance and the Family Benefits Act benefits, above the poverty line? Has that been taken into account in the government’s decision about the budget?

**Hon. Mr. Grossman:** The member’s question was, would I tell him about the conversations that I had with the Treasurer and the Premier? I give a short and succinct answer: Absolutely not.

**Mr. Peterson:** Mr. Speaker, when the minister made his original final offer, was he at that point counting on an increase in OHIP premiums to pay for that?

**Hon. Mr. Grossman:** Mr. Speaker, I do not count on any particular tax, be it liquor tax, retail sales tax, corporation tax or personal income tax, to pay for that. I am obliged to negotiate with the medical profession a fair and reasonable settlement in spite of many of the pressures brought by the OMA and the opposition.

I must say that the Treasurer ultimately has the responsibility of raising enough money to fund the various activities in which the government is engaged, be they through the Ministry of Colleges and Universities, where there was a 12 per cent increase, through the Ministry of

Health, which has had a very substantial increase as well, or its various other activities.

I do not count on any particular tax in terms of the negotiations when I enter into the negotiations. I do count on the support of my colleagues and my Premier and my Treasurer, all of whom were fully supportive at all times of the positions the government took and of the final position the government arrived at.

**Mr. Cooke:** Mr. Speaker, the minister says this settlement is not going to have an impact on the budget, which is going to be coming down in a week. If that is the case, why did the Treasurer indicate in Chatham on Thursday that because of the settlement that was coming down with the doctors, he was going to have a great deal less flexibility in his budget on May 13 to create jobs and the other things this province needs?

3 p.m.

**Hon. Mr. Grossman:** Mr. Speaker, I am just going to say it one more time before you complain about me repeating myself. The difference between the April 1 offer, as implemented, and the May 1 negotiated agreement is \$2 million. I presume The Treasurer, in dealing with pressures on the budget, was speaking of what he knew to be a general and predictable increase in the \$1.3-billion budget of OHIP and the \$6-billion budget of my ministry. Just so the member understands it clearly, I will repeat it: If he subtracts \$216 million from \$218 million, I promise him he will get \$2 million.

#### GOVERNMENT JET

**Mr. Bradley:** Mr. Speaker, I would like to ask the Premier the question everybody in the province is asking: Where is the jet at present? Is he hiding it somewhere in the great state of Texas?

**The Deputy Speaker:** Order. The question is, "where?" You already asked the question.

**Mr. Bradley:** Yes. Where is the Premier hiding it? Is he hiding it in the great state of Texas until—

**The Deputy Speaker:** Order. The member for St. Catharines has asked the question, "where?"

**Mr. Bradley:** But the Premier may want me to elaborate.

**The Deputy Speaker:** Order. I do not think he does, and I am sure the Premier will not elaborate on his response.

**Hon. Mr. Davis:** Mr. Speaker, I can only say to the member that it is exactly where it was two weeks ago, when it was debated here.

**Mr. Bradley:** I know you will allow me to elaborate a little bit in my supplementary, Mr. Speaker.

Will the Premier confirm that the jet is now in the great state of Texas and that perhaps it is being hidden there until July or August so that he can slip it into Ontario without too much notice? Or is it perhaps the case that its luxurious appointments are of such a nature that it will take until the summer to complete them?

Is the Premier prepared to set an example for people in all political jurisdictions by admitting he was wrong and selling the jet?

**Hon. Mr. Davis:** As I understand it, part of the jet is being fitted for medical use—

**Mr. Peterson:** Are you not feeling well?

**Hon. Mr. Davis:** I say to the leader of the Liberal Party, I never feel well when I get off the ground in whatever type of aircraft.

**Mr. Sweeney:** The Premier is blushing over the statement.

**Hon. Mr. Davis:** I had a very good line which I am not going to use.

**Mr. Sweeney:** You are showing up in Technicolor.

**Hon. Mr. Davis:** I saw the member for Kitchener-Wilmot in living colour not too many weeks ago. I shall not comment on that performance. But the Minister of Energy (Mr. Welch) says the member could have used an ambulance.

To the member who asked the question, I say that when it comes I will notify him so it will not "slip in" unnoticed. He will be the first to know when it is going to arrive.

**Mr. Philip:** Mr. Speaker, is there any truth to the rumour that the Premier has some concerns for jobs in his own riding and in Downsview, and that he will be selling the jet and buying a much superior plane manufactured here in Ontario, at Downsview, which will be much more practical for his and our purposes?

**Hon. Mr. Davis:** Mr. Speaker, I do not know what the member meant by "our purposes," because if his ultimate purpose is to be in a position where as a matter of public necessity he can use an aircraft of that kind, he is going to have to wait two or three lifetimes before that happens.

If he is referring to the fact that the Dash aircraft is built in Downsview, we know that and this government has indicated its support by buying the first new Dash off the line. I also point out to the member, and this may come as a



shock to him, that a good percentage of the components in the other aircraft are manufactured in Ontario.

#### NIAGARA RIVER POLLUTION

**Mr. Charlton:** Mr. Speaker, I have a question for the Minister of the Environment.

The minister is aware of Friday's decision by a US district court judge to approve the agreement between Hooker Chemicals and the US government to allow 80,000 tons of toxic chemicals to remain in the Hyde Park dump. It is an unacceptable and somewhat frightening agreement, in that it endangers the future of Lake Ontario's water supply for four million Ontarians.

In the past, the minister has expressed his concerns about the proposed settlement and has offered the assistance of his ministry to groups that opposed the settlement. Will he now admit that an aggressive and well-documented intervention by his ministry would have lent some weight and some credibility to the opponents who intervened in those hearings and perhaps would have had a significant bearing on the outcome of that decision?

**Hon. Mr. Norton:** Mr. Speaker, I would not want the honourable member to conclude that our efforts ceased with the decision that was handed down by the judge in the US court. As I indicated to the member and to this House, we have established a team that is fully devoting its time to the work relating to the Niagara River. That includes a recently added hydrogeologist, who I understand has now been instructed to devote his efforts to looking at a number of sites in the United States, including the Hyde Park site, in considerable detail.

There will be communication very shortly with both the Environmental Protection Agency in the United States and the Department of Environmental Conservation in New York state about our willingness to be involved. In fact, a request that we be involved on an ongoing basis was made not only because we can provide them with some of the information we now have but did not have earlier—for example, the more recent work that has been completed on the dioxin fish, which would lead us to conclude that there are still some persistent sources in the Niagara River—but also because we offered to give them the information we will be producing from a hydrogeological point of view, relating specifically in this instance to Hyde Park and others.

The matter is certainly not closed. Our work with those agencies will be ongoing.

**Mr. Charlton:** The minister's special team in Niagara is certainly welcome, but that team is not going to prevent the seepage from the dump sites on the American side getting into the Niagara River and, eventually, into Lake Ontario. But perhaps direct involvement on the part of his ministry in future hearings of that sort will have a direct influence on seeing that a cleanup occurs.

Especially since Frank Neruda of Hooker Chemicals now is touting this decision as the standard for future decisions around agreements of this type, will the minister assure this House that in future his ministry will be directly involved in any hearings that take place around any dump sites that are dangerous to the future of the Niagara River and Lake Ontario?

**Hon. Mr. Norton:** I think I have already assured this House in a statement going back as far as December 1981, in the previous session of this Parliament, that our precise intention was to participate whenever it appeared to be necessary. There is not much point in participating if, in a given situation where a permit is under review, there is no effective role we can play because what is being proposed and what appears to be the likely result is going to be precisely what we are requesting in any event. However, we are assessing every permit that is coming up for review or renewal on the American side; that was one of the principal reasons for the establishment of the Niagara River team.

I do not know what more, in terms of effectiveness, the member would ask of us. We do not have direct jurisdiction in American territory. If the member would like to dash across the river and stick his finger in the dike, then he should go ahead.

**Mr. Kerrio:** Mr. Speaker, the minister is well aware that Ministry of the Environment data, which he released last week or the week before, showed that dioxin concentrations in fish in Lake Ontario are much higher than was the case in previous data and that dioxin is migrating through the gorge towards the river.

**3:10 p.m.**

We feel last Friday's decision by Judge Curtin of Buffalo ruling in favour of the proposed Hyde Park settlement is fraught with danger and full of holes. Given that the Ministry of Environment did not have party status at the hearings and cannot now appeal or challenge the judge's decision, will he have his ministry and himself—the minister in charge of what might be potentially a lawsuit against Hooker Chemicals—consider



such a lawsuit for the danger to the human environment and common-law riparian rights or nuisance?

As an alternative, will the minister encourage and assist the federal government in a suit against the United States government for violations of the 1909 water treaty, which it has been violating from the day that treaty was put into effect?

The minister is just closing the barn door after the horse has gone. When is he going to get ahead of this thing and take the initiative? Will he not join with the federal minister and see what he can do to those Americans for poisoning that river?

**Hon. Mr. Norton:** Mr. Speaker, I fear to suggest that the honourable member is simply so slow that he has not yet caught the rapid rate of movement that is taking place on this issue as far as my ministry is concerned, since he talks about trying to close the door after the horse is out of the barn or whatever the expression is.

I will be communicating with Commissioner Flacke with respect to a request I am making that there be drilling of deep wells near this site to test Anderson's theory with respect to the hydrogeology in that area—

**Mr. Kerrio:** Wasn't that my suggestion to you? Why don't you admit it?

**The Deputy Speaker:** Order.

**Hon. Mr. Norton:** —with respect to the theory that has been put forward that there may be some leakage through fissures in the shale.

**Mr. Kerrio:** You finally decided; that's interesting.

**Mr. Stokes:** You could use the jet to patrol the boundary line.

**Hon. Mr. Norton:** Calm down. The fact of the matter is that I am not—

**Mr. Kerrio:** That was my suggestion, and you're afraid to admit it.

**Mr. Nixon:** Why don't you go and stick your finger in it?

**The Deputy Speaker:** Order. We are going to go to a new question.

### COURT DELAYS

**Mr. Newman:** Mr. Speaker, I have a question of the Attorney General concerning the administration of justice in the provincial courts in the city of Windsor.

Since the beginning of the year, the Attorney General has been aware that the number of provincial court judges hearing criminal cases

has been reduced by one half to a number of two. This has placed a terrible burden on the already overloaded shoulders of the remaining judges and is straining the system to a point where it is discredited in the eyes of the public.

On March 8, the Attorney General promised the Chief of Police in the city of Windsor that "judicial assistance would be available in the very near future." Is the Attorney General prepared today to make a commitment to the people of the city of Windsor actually spelling out what that assistance will be and when it will come?

**Hon. Mr. McMurtry:** Mr. Speaker, I am advised by the chief judge of the provincial courts, criminal division, that additional judges have been sitting in Windsor, over and above, of course, the people who sit there more or less on a permanent basis. My information about the backlog is not quite consistent with the honourable member's, but I will check on that.

I can say to the member that, notwithstanding the fact that the chief judge has been rotating additional judges into the Windsor area, we expect to make an additional appointment in that area in the relatively near future.

**Mr. Newman:** If, as the Attorney General stated in an article in the Toronto Star on February 8, 1982, that the backlog of the courts "makes the criminal justice seem less of a deterrent; it is demoralizing to police and to the community," why has he not acted with greater urgency in the Windsor situation when it was first brought to his attention in January 1982? By the way, there are at least 150 criminal cases outstanding at present.

**Hon. Mr. McMurtry:** I really do not have anything to add to what I have already said. This is a matter that is reviewed with the chief judge on a regular basis. As I have said, he has allocated additional judicial resources there by rotating judges from other parts of the province into the Windsor area.

It is a matter we are continuing to look at. We do have problems with respect to backlogs from time to time; there is no question about that. In so far as the administration of justice in the Windsor area is concerned, I would say it is functioning effectively in the interests of the citizens of that great community.

### UREA FORMALDEHYDE FOAM INSULATION

**Mr. Swart:** Mr. Speaker, I want to put a question to the Minister of Health. I have a copy



of the final report from the Ministry of Health, which is dated April 23, 1982, and which I have just secured; it is entitled The Results of the Urea Formaldehyde Foam Insulation Home Testing Program of the Ministry of Health of Ontario.

It gives the results of tests and surveys on 4,920 urea formaldehyde foam insulated homes and shows that 8.2 per cent of those homes had formaldehyde gas tests above 0.1 and that no less than 35 per cent had readings above 0.05, which was formerly the ministry's safe limit. It also shows in the survey that 2,762 persons in 28 per cent of the homes had health problems owing to UFFI.

In view of this and documentation by Bruce Small and others that people once sensitized can have violent reactions to even small amounts of urea formaldehyde gas, what measures is the minister going to take to ensure the health of this broad section of the population of this province?

**Hon. Mr. Grossman:** Mr. Speaker, to save the House time, I say to the honourable member that, no matter how many times he asks that question, this will remain a problem for the federal government.

**Mr. Swart:** To paraphrase that: The minister has no concern about the health conditions of the people of this province.

Does the minister not realize that in his interim report of November 13, 1981, to the review board, he said, "The board of review should continue the ban on UFFI as there is no information available to date to adequately address the serious questions as to the danger to health from the material"?

Does he not realize that under the Public Health Act he has responsibility for the health of the people in those premises? Is he prepared to leave this question unanswered? If so, will he appear at the UFFI rally this Saturday in front of this Legislature at 1 p.m. and explain his inaction and indifference to this very real problem?

**Hon. Mr. Grossman:** I do not want to use words that are too strong, but I have difficulty restraining myself. In fairness to my predecessor, it was this government that was in those homes, making those tests and bringing pressure to bear on the federal government before the member discovered the problem, before the federal government discovered the problem and before anyone discovered this problem.

The only reason the federal government is now taking any interest in this matter is as a

result of the efforts of this government and my predecessor, now the Minister of Agriculture and Food (Mr. Timbrell). Let us make that absolutely clear.

We have discharged our responsibilities. There was intense pressure on the federal government from us. I do not know whether the federal New Democratic Party caucus in Ottawa with its then composition was bringing pressure to bear where it properly lies. The member may find that out in his caucus tomorrow morning. Whether or not it was bringing pressure to bear, the responsibility lies in Ottawa.

They have not met their responsibilities. We are pressuring them to meet their responsibilities. But let us make it clear, we on this side of the House in this province not only have met our responsibilities but also have been meeting them from day one.

**3:20 p.m.**

**Mr. Robinson:** Mr. Speaker, I am sure the Minister of Health will agree the conclusions and the facts indicated in his report show that there is a problem in this area. What reaction and commitment has he received from the federal government upon presentation of that report?

**Hon. Mr. Grossman:** Mr. Speaker, it was inadequate; and I am sure the leader of the third party will get on the phone this afternoon and call his former colleagues in Ottawa to ensure that a proper question is brought in the House of Commons tomorrow afternoon at 3 p.m. I will be watching; I will get a copy of Hansard and make sure his outrage is such that it is transmitted through the NDP leader's former colleagues tomorrow afternoon in the House of Commons.

I am sure the invitation to attend on the front steps of Queen's Park here next Saturday afternoon will be extended by the federal NDP caucus to the federal minister responsible, because I know how much the NDP cares about this issue.

#### CHILDREN'S MENTAL HEALTH SERVICES

**Mr. Boudria:** Mr. Speaker, I have a question for the Minister of Community and Social Services on his recent announcement about building three mini-institutions for disturbed youth in southeastern Ontario.

Does the minister recall my question of May 7, 1981, when I asked him why he had cancelled the building of three similar mini-institutions in my riding? At that time he said, and I quote,

"Surely he is not suggesting that I start placing young offenders in mini-institutions just for the sake of having to build institutions." Can the minister explain why these institutions he did not need are now being built somewhere else?

**Hon. Mr. Drea:** Mr. Speaker, I am not building any institutions. I have the press release here in my hand. Can the member not read?

**Mr. Boudria:** I am reading the press release here. Maybe it does not announce the physical construction of structures, but it does say three new areas of services in eastern Ontario will be constructed. None of them are in the same place as the previous ones, they are going to be located in different ridings. I want to know from the minister whether he has just moved those institutions from Prescott-Russell, where the incumbent member was rejected, to build them somewhere else, or whether he is not going to be building them, as he said previously.

**Hon. Mr. Drea:** Obviously the member is very confused and troubled. Let me tell him what those new services are. There never were any institutions going to be built in Russell and Prescott. We closed the Alfred institution. I ask him to show me where any contract was ever signed to build any institution here.

**Mr. Boudria:** You had options on the land.

**Hon. Mr. Drea:** I had no options—not this minister. Let me tell the member what I have done. I am going to read the whole release into the record, and that will wipe the little smile off the member's perky little face.

The new services are as follows: "An eight-bed, semi-secure observation and detention home will be established in the regional municipality of Ottawa-Carleton. This service, designed to provide short-term accommodation to youths in crisis, will be operated"—not by the government—"by the Youth Services Bureau of Ottawa-Carleton beginning May 1, 1982, at 2887 Riverside Drive."

Does the member know where that is? I ask him to pay attention now: "This site is presently being used by the Youth Services Bureau as a children's institution and will be modified to meet the new program requirements at a cost of approximately \$50,000. The annual operating budget for this program will be approximately \$250,000."

**The Deputy Speaker:** You are not going to read the whole thing?

**Hon. Mr. Drea:** In fairness, the member has accused me of building three institutions; I am not. He has this piece of paper in front of him

that he cannot read or comprehend. I do not want to have to come back here day after day and try to straighten this out. If you want to cut it short, Mr. Speaker, I am not building institutions. A private agency has moved from one place to build an observation and detention home. The existing building will be renovated, as this release says. If the member is talking about the francophone group home, is that an institution he does not want me to build, the francophone mental health centre?

**Mr. Boudria:** Yes, I do.

**Hon. Mr. Drea:** Oh yes, he does.

To sum it all up, I am not building any institutions. I have never built any institutions. Of all the ministers to build a correctional institution, he has the wrong one.

## REPORT

### STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Barlow, on behalf of Mr. Eves, from the standing committee on regulations and other statutory instruments presented the committee's first report for 1982.

## INTRODUCTION OF BILL

### FOREST RESOURCE MANAGEMENT ACT

Mr. Foulds moved, seconded by Mr. Stokes, first reading of Bill 97, An Act to ensure the Regeneration and Reforestation of Forests in Ontario.

Motion agreed to.

**Mr. Foulds:** Mr. Speaker, this is an extensive bill having six parts.

1. It makes it the duty of the Minister of Natural Resources to ensure that Ontario forest lands be managed on a sustained yield basis.

2. It requires the Minister of Natural Resources to prepare and make public a forest resources management program for the entire province.

3. It makes a complete inventory of present forest timber and requires the minister to describe the location and extent of forest land in Ontario that has "been denuded and not been restocked or is producing below its potential."

4. It requires the minister to analyse and forecast international demand for forest resources and forest products.

5. It requires the minister to indicate the relationship between forests grown in Ontario and manufactured forest products produced in Ontario.



6. It requires the minister to outline the five-year plan for restocking forest lands, increasing productivity of forest lands and improving forest resources, and the cost of such a program to Ontario.

It would carry out the famous promise of the Premier (Mr. Davis) to plant two for one, without being silviculturally unsound as that promise was.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day, I would like to table the answer to question 91 and the interim answers to questions 85, 86, 87, 96, 111 and 113 standing on the Notice Paper [see Hansard for Friday, May 7].

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, I might inform the House that there has been a slight change in the order of business for today from that printed on the Order Paper. We are going to proceed first with the third reading of Bill 41, then committee of the whole House on Bill 6 and second reading of Bill 38.

#### ORDERS OF THE DAY

##### MINISTRY OF TOURISM AND RECREATION ACT

Hon. Mr. Baetz moved third reading of Bill 41, An Act to establish the Ministry of Tourism and Recreation.

**The Deputy Speaker:** Is the motion carried? Carried.

**Mr. Stokes:** No, Mr. Speaker. Put the motion so we have something to deal with.

**The Deputy Speaker:** The minister has moved third reading of Bill 41. Is the motion carried? Carried.

**Mr. Stokes:** No, it does not carry. It is a motion people can legitimately speak to.

**The Deputy Speaker:** The member for Lake Nipigon.

3:30 p.m.

**Mr. Stokes:** Mr. Speaker, I thank the minister for sending me the information that was made available to him after second reading of the bill in this House, outlining a study that was done of the advertising expenditures of this ministry and suggesting that he may not be getting dollar value for the money spent in promotion and advertising. It highlighted what had gone on in a

lot of other jurisdictions that might be appropriate in the promotional schemes the minister spoke of on second reading and in response to a lot of comments members had made.

It is appropriate that this ministry pay heed to the recommendations contained in that report, which I thought was an excellent one. It is time that a complete and total review is made of that aspect of the tourist industry, because in reality it now will become a lead ministry.

As a natural corollary and follow-up to that, it is absolutely essential in this ministry's new responsibility for the promotion of and obtaining maximum benefit from this new ministry that the minister and his staff realize if he is ever going to make a success in setting up the new Ministry of Tourism and Recreation, he first of all must have the ability to co-ordinate all the tourist aspects as an industry, as an independent entity within the overall economy of the province; he must also have the ability to get the ear and the complete and total co-operation of the Ministry of Natural Resources, the Ministry of the Environment, the Ministry of Citizenship and Culture and all the policy fields that have a responsibility to devise policy directions that will have a beneficial effect on the tourist industry in Ontario.

I am sure the minister is busy, as I am, in reading all the things that come across his desk from the northern Ontario tourist operators, the anglers' and hunters' groups, the commercial fishing groups and the parks and recreation groups in the province. This minister, more than any other, has the responsibility to give a new sense of direction, to tourism primarily but also to recreation, sports and fitness, and a new focus that probably it never had before.

I am encouraged by the information this minister has made available to me in such a short time since the formation of this new ministry. But it is absolutely essential that he does a complete and total review of what has gone on before. Perhaps for the first time in terms of the tourist industry in the province he, more than any other minister of the crown, has not only the responsibility but also the opportunity to co-ordinate and play a lead role in impressing the importance of his responsibilities upon his colleagues, and there may be as many as 10 of them whose policies and activities have a very direct impact upon what happens in this new Ministry of Tourism and Recreation.

He is going to be faced with a good deal of adversity in persuading his cabinet colleagues they should give top priority to a lot of the

programs for which he is responsible within his ministry. But out of that adversity, in particularly tough economic times, he has the opportunity to make a real imprint upon the tourist industry that is so important to most areas in Ontario.

I hope the minister will take advantage of those opportunities that present themselves to him to make the new Ministry of Tourism and Recreation as meaningful and as significant as it can be for all citizens in this province.

**Hon. Mr. Baetz:** Mr. Speaker, I would simply like to say for the record that I have noted the remarks by the member for Lake Nipigon, and certainly concur in the challenge he has presented to me and to the ministry.

Motion agreed to.

**Assistant Clerk:** The third order, committee of the whole House—

**Mr. Nixon:** On a point of order, Mr. Speaker: The House leader is doing his very best to accommodate the situation so that we can go forward with the work, but the order for the day is second reading of Bill 38. I understand we are going to be doing Bill 6, and I do not mind that, but where did it come from all of a sudden?

**Hon. Mr. Wells:** Mr. Speaker, as we do with all these matters, we try to work together to keep the business of the House running smoothly and in an orderly way. It is my understanding that the offices of the three House leaders, working this morning, arrived at some arrangement.

It was felt that Bill 38 would not be proceeding today because of the illness of one of the major participants in the debate, and therefore they scheduled some other business, including the continuation of Bill 6 which, as the House will recall, was going on when we adjourned at 1 p.m. on Friday.

It now turns out it will be possible to proceed with Bill 38 anyway, even though one of the major participants is not able to be here today. However it was felt we would leave Bill 6 on the agenda for the day, as that had been rescheduled in. I hope that explains why Bill 6 is now there, even though it is not on the printed business for Monday.

House in committee of the whole.

## BUSINESS CORPORATIONS ACT (continued)

Resuming consideration of Bill 6, An Act to revise the Business Corporations Act.

On section 45:

**Mr. Mitchell:** Mr. Chairman, with the permission of the House, may I again relocate myself in the front row in case I need some assistance?

**The Deputy Chairman:** Agreed. When the parliamentary assistant is seated, the member can carry on.

**Mr. Renwick:** Mr. Chairman, I am not quite certain how we should proceed in this matter, because we are dealing with section 45 and the other related sections of the bill.

3:40 p.m.

My quandary relates to the procedures in the House. We had the situation where Bill 6 was introduced into the assembly after having gone through a certain number of exposure drafts. We debated the bill on second reading in the House during the last part of the last session.

It was then referred out to the standing committee on administration of justice and in committee, for the first time, very substantial amendments were introduced by the parliamentary assistant, related ostensibly to making certain that business corporations incorporated under our act would qualify for the incentives and other benefits, other conditions imposed upon those who could participate in the national energy program.

My quandary is simply that there is nothing in the record of this House or in the record of the committee in its final form which will ever disclose what happened to this bill on the way to this forum. The proceedings of the standing committee on the administration of justice, dealing clause by clause with Bill 6, are only in the form of the draft of the proceedings and are never printed. So in the actual official documents of this House there is no record at all as to the fundamental difference that was introduced into the bill by the proposed amendments related to the national energy program.

I suppose it would not be of such great significance, but of course they are not only related to the national energy program they introduced fundamental changes which will be part of the corporate law of the province, not necessarily related to the national energy program. They may well be the method by which the Business Corporations Act of this province will provide for a degree of Canadianization in various areas of the economy or a degree of benefit or assistance for such corporations as may meet the qualifications which are required.

I think we have a procedural problem. I would be very upset and concerned if the printed formal proceedings of this assembly did



not bear some comment or explanation or discussion about these fundamental changes. The fundamental changes are in sections 5, 42, 45 and subsequently in sections 167 and 169. There are also some other consequential changes in the bill related to this question.

I like to be able to see the person I am debating in the assembly. I don't know what the government House leader and the Attorney General (Mr. McMurtry) and the member from wherever he's from are discussing, but maybe they could have the discussion outside.

**The Acting Chairman (Mr. Robinson):** Order. Your wish is our command.

**Mr. Renwick:** I am certainly grateful. I am sure the parliamentary assistant is equally grateful to be able to conduct some form of meaningful debate in the assembly rather than have it as a gossip chamber at tea time.

Without repeating what I said, we are introducing into this bill—and it was introduced only in committee, not at the time when the bill was introduced, not at the time when there was second reading of the bill but only in committee,—fundamental changes in the corporate law of the province.

The reason for it, the cause for the introduction of those amendments when we were in standing committee in January of this year, was the introduction at the federal level of the national energy program. That is very clear. Of course, the amendments that were introduced bear no reference to the national energy program; what they do bear reference to is very generalized principles with respect to the extent and degree of Canadian ownership that may be required in order to permit a business corporation to comply with certain programs or privileges under the law of the federal government, under the law of this province, under the law of any other jurisdiction in Canada.

As I say, anyone in years to come who wanted to know whether or not this assembly ever had anything to say about them would not, except for this debate today in committee, know where to go to find out what it was all about. I think that is a fair statement. The only reference was when the parliamentary assistant introduced the amendments in the standing committee.

I therefore think, and I need the indulgence of the committee, not so much the consent of the House or even the indulgence of the committee but a recognition by this committee that it is essential—I know my friend the member for Cornwall (Mr. Samis) and my friend the member for Downsview (Mr. Di Santo) will forgive

me if I am being testy on a Monday afternoon, but could they perhaps conduct their discussions somewhere else than right here in the chamber?

I think it is essential to put on the record the statement made by the representative retained to give this government technical advice on the nature of the amendments that were proposed. That man was Mr. Coombs of the firm of Osler, Hoskin and Harcourt. He appeared to me at the committee to be appearing in two roles: as a representative of the Canadian Bar Association but also on a retainer from the government to advise on the technical amendments that are required. He stated as best he could to a committee that had no prior knowledge of the proposed amendments what the intention of those amendments was.

Because I think he stated it as succinctly as anybody could, I would like to have on the record and explain to those members of the committee who are in the House this afternoon what these proposed amendments are about. Therefore, I am going to quote from the statement made by Mr. Coombs; and he will forgive me, I know, for not knowing his first name or whether he is dignified by being one of Her Majesty's counsel learned in the law. But he is a partner in the firm of Osler, Hoskin and Harcourt.

He made this statement before the committee:

"I am not here to explain the national energy program to you. I am not sure that I could in any event. I am here more as a corporate technician than a petroleum technician. I can suggest to you some areas of the national energy program that are relevant to these amendments, explaining to you exactly how a lot of those principles I may mention will operate.

"It is going to be difficult because since the last public disclosure of the legislation the federal government will introduce in connection with the program, there has been a tremendous amount of drafting and alteration going on in Ottawa, to which I am not privy. If you ask me to explain to you how the Canadian ownership rules operate, I probably cannot do that for you explicitly.

"Going into this general overview, however, I am sure you are all aware the federal government has established a program by which it intends, among other things, to encourage the Canadianization of resource companies, petroleum and natural gas companies. A principal element of that program will be a system of grants and incentive payments which will be

made available to corporations, depending upon the nature of their activities, and primarily depending upon whether they meet certain standards of Canadianization of their shareholding.

"The thrust of that concept of Canadianization is to reach the beneficial ownership of the shares. Very often the shares of the resource companies with which they are concerned will be held by other corporations, holding corporations, and the true ownership may be masked.

3:50 p.m.

"The intent of what are called the Canadian ownership rate rules is to provide a measure of the true beneficial Canadian ownership of those companies, and to gear the grants and incentive payments to that ownership.

"So a corporation that can demonstrate, say, only 40 per cent Canadian ownership rate will not obtain as much in federal government funding as will a corporation that can demonstrate an 80 per cent or 100 per cent Canadian ownership rate.

"The thrust of these amendments is to provide the technical capital structure in the corporate governing statute to assist corporations to demonstrate that they have sufficient Canadian ownership rate to qualify for grants that they may need.

"Because of the way the grants will be managed this is not a one-time assessment. I believe there will be some attempt made annually at assessment of each corporation's entitlement to retain its grant status. So the corporation will have to be able to ensure that not only on the initial issue of its shares or a class of its shares they are held by people who satisfy the relevant Canadian ownership rate requirements, but also at future times it will have to be able to satisfy the administrative agencies that it is still entitled to receive those grants. This means there has to be some control over what happens to the shares after their initial issue.

"We looked at that in terms of providing mechanisms for policing share ownership in respect of certain kinds of shares. There was no intention, however, to interfere any more than necessary in the freedom of shareholders of public offering companies to transfer their shares in an after-issue market. The object was to prevent shareholders from dealing with their shares so as to destroy or damage the corporation's grant status.

"This was viewed by the various people who were involved in the drafting as being not so much a mechanism for interfering with the

holder's freedom to transfer his share, or interfering with the rights of some subsequent shareholder, but as a means of protecting the Canadian shareholders who stay in the company so that they do not lose the benefits of these grants which, in a financial sense, will be very significant to the health of many energy corporations.

"The technique that was chosen federally for doing this was to expand the concept of what is called the constrained share. In section 168 of the Canada Business Corporations Act as it now stands the concept of the constrained share corporation has been established. It principally relates to corporations who need now, under present rules, to retain their status as Canadian owned in some way.

"It seemed to the drafters of the new legislation that this was an ideal sort of concept to bring in because there are already corporations governed by the Canada Business Corporations Act whose share ownership is, to a degree, policed through the mechanism of a constrained share.

"A constraint under section 168 originally would have restricted the issue or transfer of shares to persons other than a permitted group or groups of shareholders. What is being proposed is that not just issue and transfer will be controlled, but for national energy program purposes ownership will also be controlled.

"So the constrained share concept has been expanded to look not just at the technical question as to who is on the shareholders' list, but who really owns the share. In this sense, constrained shares are really just a subclass of the restricted share which one would often find, for example, in a private company.

"I am sure you are all familiar with corporations where a particular family wants to retain control of it, and the board of directors will be able to decide whether a transfer of shares to some particular person will be permitted or not. You should keep in mind that the constrained share, especially under the federal act, was a concept designed for public offering companies. In fact, it is the only kind of restriction at the moment that a public offering company can impose on the issue or transfer of its shares.

"For example, it would be possible under the law as it now stands to restrict ownership of shares to resident Canadians, or to provide that an individual shareholder could own only up to a certain percentage of shares of the corporation, and so on.

"Authority for the creation of constrained



shares, or in the context of the language you will find in the bill before you"—

**Mr. Nixon:** On a point of order, Mr. Chairman: I wonder if the honourable member does not feel he is taxing us just a bit when he reads so extensively from whatever it is he is holding in his hand, particularly since this has been reviewed extensively in committee and we are dealing with some additional amendments, and the bill is not on the Order Paper for debate this afternoon. Is there not some possibility we could move forward with this business a bit?

**Mr. Di Santo:** On the same point of order, Mr. Chairman: On the contrary, I think it is not only acceptable but quite enlightening to us that the member for Riverdale should talk at length in explaining a bill that is so complex—

**Mr. Nixon:** But you are not listening.

**Mr. Di Santo:** I think it is extremely useful for all the members. I would ask you to check if we have a quorum because it is very important that the members listen to the member for Riverdale.

**The Acting Chairman:** We do not have a quorum.

The Acting Chairman ordered the bells to be rung.

4 p.m.

**Mr. Nixon:** On a point of order, Mr. Chairman: I want to bring to your attention that standing order 19(d)(4) indicates the speaker should be brought to order if, in the opinion of the chair, he is reading unnecessarily from any document.

I bring to your attention that when we moved to this particular order, since it is not on the Order Paper, there was some thought that perhaps the business might be concluded without undue delay, but we have been listening to the honourable member read from whatever it is he holds in his hand for the last 25 minutes.

I do not believe the minister is being enlightened as the staff sitting under the gallery does not seem to be taking notes. The honourable member was getting rather short-tempered with his own colleagues who deigned to have a small conversation during his reading. My point is why should we continue listening to this baloney when our rules do not permit it?

**Mr. McClellan:** Mr. Chairman, on the same point of order: The opposition House leader may not want to listen to what he refers to as "baloney." He is always free to leave.

**Mr. Nixon:** We also have a rule that one should not read extensively from documents.

**Mr. McClellan:** If the member wishes to end the debate, there is a measure in the standing orders which calls for the closure of debate if he wants to pull that stunt. Otherwise, members have the right to speak on matters that are before this assembly. This is a very important and complex bill. Finally, with respect to reading unnecessarily from a document, that would make it impossible for members of the governing party ever to speak in this assembly.

**Mr. Renwick:** Mr. Chairman, I would be happy to continue with my remarks. I say with great kindness to my friend, the member for Brant-Oxford-Norfolk, the reason is not for my own edification. I listened to this in the standing committee. This should be a statement made by the government because it happens to be introducing into the Business Corporations Act of this province the most radical departure that has occurred in business corporate law in this province in at least the last 10 or 15 years and no one would gainsay that. This provides for a company to expropriate shares.

**Mr. Nixon:** You are the only person who thinks so.

**Mr. Renwick:** I know my friend the member for Brant-Oxford-Norfolk is as interested in the proceedings of this House as I am. If we do not have this statement on the record of the House—it is not my statement but a statement of technical advisers of the government—there would be nothing on the record of this House ever to show that this House gave any consideration of any kind to a fundamental change in the business corporate law of the province. I am quite content not to read it in.

**Mr. Nixon:** So am I—that you not.

**Mr. Renwick:** I tend sometimes to think that the member for Brant-Oxford-Norfolk has a real concern about the proceedings of the assembly, not just when they happen to suit his convenience. It does not happen to suit my convenience to read this into the record of the House, but it is an essential part of this House understanding what is taking place.

**Mr. Nixon:** That is a rather condescending judgement on your part.

**Mr. Renwick:** It is. If I may complete my point of order, I am only condescending in response to a condescending intervention by the member for Brant-Oxford-Norfolk who does not understand and does not care about this because it is not of interest to him.

**Mr. Nixon:** It is totally irrelevant.

**The Acting Chairman:** Order. This is turning into a debate. I draw to the attention of the member for Riverdale that there is an interpretation section in the standing orders, section 19(d)(4), which deals with the reading of documents. I ask him, as a senior member of the House, to exercise prudence and discretion in reading documents beyond this point.

**Mr. Renwick:** I would much rather go on than argue. The point is quite simple. Had the government understood what it was doing, they themselves would have introduced this statement into the House. The key word in the rule of order which you have referred to is the word "unnecessarily." If you, sir, want to rule that what I am doing is unnecessary, please do so. I am in your hands.

My view is that the government is introducing, and this House is required to consider, a fundamental change in principle in the business corporations law of the province. If somebody wants to consider the debate unnecessary, that is fine.

**The Acting Chairman:** I am simply asking the member for Riverdale, who is senior to me as a member of this House, to use whatever good judgement and prudence the situation may dictate from his standpoint, in light of the standing order which restricts reading unnecessarily. We have an amendment to section 45 on the floor of committee and I ask that debate continue on that section.

**Mr. Renwick:** Thank you, Mr. Chairman.

"Authority for the creation of constrained shares, or in the language you will find in the bill before you, restricted shares, primarily stems from amendments that will be proposed to section 5 of the bill and by amendments to sections 167 and 169; section 5 because it is the provision that relates to what has to be in the articles of the corporation when it is created; sections 167 and 169 because they relate to what kind of amendments to the capital structure of an existing corporation that can be made.

"Where national-energy-program-type restrictions are contemplated to be introduced by the creation of a new class of restricted shares or by fundamental change to the capital structure of the corporation, it is proposed that there will not be any right in the existing shareholders to separate class or series votes and hence there will not be any dissent or appraisal rights for them, provided, that is, that the new class of shares is otherwise equal to the existing class of shares. Where, however, an outstanding class of

shares of a corporation is to be restricted for NEP purposes, the existing shareholders will have class or series voting rights and will have dissent and appraisal rights.

"There is no suggestion in the legislation that it will be possible for a corporation to override the interests of the body of existing shareholders without their consent, impose these restrictions and thereby put a large number of foreign or partially foreign shareholders offside. Votes are contemplated for that purpose. It is not inconceivable, however, that a corporation with an existing class of shares now outstanding could not achieve some degree of Canadianization by simply creating a new class of shares, issuing those to the public on the basis that only Canadians or people with acceptable Canadian ownership rates can acquire them, thereby achieving not a full Canadian ownership rate to satisfy whatever grant requirements we are looking at, but in effect to ameliorate what may be in its existing Canadian ownership rate status.

"Apart from the questions of the capital structure of the corporation, the more profound changes to the act, and indeed to the whole concept of shareholders' rights, will be found in two areas. One is the way in which the restrictions which are going to be imposed on shares of this nature will be enforced in the aftermarket, the policing power. That will be found, when you get to it, in the proposed new section 45." This is the section under consideration by this committee.

"Section 45(a) is a quite radical departure from any existing corporate law that I know of. It proposes, in effect, that where shares are transferred to an ineligible holder, the corporation, when it finds that out, will be able to sell off that holder's shares without his consent. Many people have viewed this as being a species of expropriation and you may well wish to look at it that way philosophically. You must keep in mind, however, that the shareholder will have acquired these shares or the shares will have become restricted through the consent mechanisms at corporate meetings with the full knowledge and understanding that he is buying a share that is subject to this kind of limitation.

**4:10 p.m.**

"Indeed, you can expect, for example, that the shares of Canadian energy corporations will suffer some diminution in value, I suppose, in the sense that the market for the constrained or restricted shares of those corporations will become limited because the buyers of those



shares will only be people with acceptable Canadian ownership rates. I am not an economist, I cannot tell you what the significance of that is in dollar terms, but you are going to be restricting the market for shares of that nature.

"The second change which I think is profound in this area is perhaps a little more esoteric. That is, it is proposed that corporations will be given the power to buy in their own shares. This is a consensual thing, they will be able to go to the marketplace, buy in their own shares—what I would call free shares, nonrestricted shares—hold them for up to two years without cancelling them, just as if they were the owners of them. They would not be able to vote in respect of them or anything of that nature, but they would be able to hold the shares without cancelling them or restoring them to the status of authorized but unissued shares. Within that two-year period, they would be able to resell those shares to the public.

"That might sound a little futile, but what is really contemplated there is that while it is holding the shares, the corporation will convert them from their free status into a restricted share. When it does its subsequent issue or resale of those shares, it will sell them to people with acceptable COR. By that method, for example, a corporation whose shares were trading, say, on the American Stock Exchange and in Toronto, would be able to go into the American Stock Exchange and buy up shares at whatever the going market price was, would be able to hold those shares, convert them into restricted shares, do a subsequent issue of those shares into Canadian hands, combined perhaps with an issue of another class of shares, also restricted to the Canadian public.

"It will give you a multiplying effect to the Canadianization of the company, because you will be taking shares principally out of the hands of foreign holders and putting them into the hands of Canadian holders.

"I cannot speak, of course, for the federal government on that, but it is viewed federally, I believe, as being an assistance to corporations rapidly to Canadianize. That is going to be important for a number of reasons, one of which, of course, is that the faster a corporation can catch up with other corporations which have high levels of grant, get the same grants and use that money to go out and explore for new energy, that will mean that those corporations will maintain their competitive status, they will increase the availability of energy and so on."

Mr. Chairman, I appreciate your courtesy in allowing me to read that at some length. It was with great concern that I ventured upon the reading of that statement but I felt it was essential that the record of this House show what the government is doing in introducing these amendments.

I want to very briefly summarize. The amendments we are introducing are profound changes with respect to the nature that can be ascribed to business corporations incorporated under our law. They are ostensibly for the purpose of allowing our corporations—that is, business corporations incorporated in Ontario—to qualify for grants, incentives and benefits under the national energy program.

That energy program has not yet been passed but the fundamental question which I think has to be addressed by this assembly is that it is not just related to the national energy program. It means that in fact there is now a method by which this government, any provincial government and the federal government, for any purpose, may provide incentives for strictly Canadian-owned, or a degree of Canadian ownership companies, in contradistinction to the benefits or the grants or the incentives available to companies that do not have that degree of Canadian ownership.

It is interesting that many years ago we talked in this House about providing some method for the Canadianization of companies so that a degree of Canadian control would be a necessary condition of eligibility for certain purposes. Now we are generalizing that concept into the Business Corporations Act of Ontario. I think it is important we understand that correlative to that, as Mr. Coombs stated before the committee, there is, in fact, a degree of expropriation.

If you happen to be one of the holders who is not a Canadian holder of shares in such a company at the time when the company is losing, has lost or is about to lose the degree of Canadian ownership that is required, then you can have your share taken from you. It was not so very long ago that the government of this province simply would have refused to consider any such concept. It is very interesting that in the process of time, a Tory government is introducing amendments that will provide for a stated degree of Canadian control to be established in a company through corporate mechanisms, if a company is to be eligible for certain grants and assistance. We in this party do not have any serious objection to it, and I do not think I need to go on at any greater length.



I reiterate that I read the dreary passage, which was equally dreary for me, having heard it read to me in committee, and having read it again to try to understand it, into the record of the House, because without that the matter would not be on the record.

I do believe on balance the amendments are necessary for the province to pass. I do believe on balance they are in accord with the atmosphere of the time when a degree or extent of Canadian ownership is an important element in the economic development of the country. The degree of Canadian ownership would lead me to believe it would be wise for all the business corporations across the country to have standard provisions with respect to eligibility for such purposes. So it is not in any sense that I object to these amendments, but rather in the sense that I hope those members of the assembly who are in committee this afternoon and others in the future realize the extent and degree of the profound change that is being made in a very generalized way in the business corporate law of this province.

**Mr. Mitchell:** Mr. Chairman, I wish to acknowledge that the member for Riverdale has raised many good points, and I intend to reply to each one of them in writing. I should point out, however, that it is not unusual—

**Mr. Nixon:** That would be wise. Hire somebody to do that.

**Mr. Mitchell:** Just very briefly, it is not unusual to introduce amendments when a bill is before the committee. In this case the amendments are worded in substantially the same terms as amendments to the Canada Business Corporations Act. These were released to the ministry by the federal director of the corporations branch. Mr. Coombs participated as a member of the bar committee assisting ministry officials.

At the beginning of this debate I acknowledged that we had several delegations as well who assisted us and whose input was gratefully received. I would just like to make the further comment that it was my understanding that, on page 7 of our opening statement, we had attempted to encapsulate basically the points the member for Riverdale (Mr. Renwick) put on the record this afternoon. Subsection 42(3) effectively now bars, if I may say as a wind-up comment, what was previously permitted.

**Mr. Nixon:** Do you mean to say, Mr. Chairman, that is the only response we get to an hour's speech by the person some people con-

sider to be the prominent corporate expert here, who has indicated that this amendment is the most important turning point in business law in his lengthy history in the Legislature? He indicated this would allow the expropriation without a hearing of shares held by individuals, even though the thing he read from Mr. Coombs indicated it might appear to be a form of expropriation to some people. Is the member simply going to say that he thanks him for raising those good points and will reply in writing, and expects us to support it? Really, what is going on here, what kind of a weirdo game is this?

**4:20 p.m.**

**Mr. Mitchell:** Mr. Speaker, there have been so many points raised by the member. I could go back to—

**Mr. Nixon:** No one raised anything.

**Mr. Mitchell:** Yes, the member for Riverdale began on Friday. I have been attempting to get the answers to all of those questions resolved, but as the member for Brant-Oxford-Norfolk pointed out, it was a lengthy thing. It was agreed that we would attempt to move as speedily as possible with this and, if it is acceptable to the member, I intend to answer the questions in detail.

**The Deputy Chairman:** Is there any further discussion on this amendment?

**Mr. Renwick:** Perhaps I could make a comment. I just want to reiterate that if I had not read that statement, the record of this House would never have shown the importance and significance of it. I crave the indulgence of the House and I apologize. If members found it boring, I found it equally boring if not more so. But it was done in the absence of the government coming up front and making a specific statement about the importance of the change which was reflected.

I recognize that this chamber is not an adequate place to discuss the intricate technical nature of the problems we are attempting to discuss and I am quite happy to let it go where I have left it. I certainly do not want the parliamentary assistant to waste his time writing to me about it.

I think the record of the House will now show that the change has been made; people can make their own judgement as to whether it is wise or not. It is sufficient to say that in the standing committee, under the chairmanship of the member for Oxford (Mr. Treleaven), we had some opportunity to discuss it. My problem was



simply that there would have been no opportunity to do so in the House if I had not taken the opportunity to read Mr. Coombs' statement to you.

**The Deputy Chairman:** Is there any further discussion on the amendment to subsection 45(1)?

Motion agreed to.

Section 45, as amended, agreed to.

Sections 46 to 98, inclusive, agreed to.

On section 99:

**Mr. Renwick:** Mr. Chairman, I want to draw the attention of the House to this section principally because one of the most interesting and thoughtful presentations made to the committee was that of the Taskforce on the Churches and Corporate Responsibility. That organization came before the committee on January 6 and made a number of points.

The first point I want to make is that section 99 is the section which will permit a shareholder to make a proposal to the management of the company, and the management of the company will, subject to certain specific limitations, then be required to submit, in the information which it provides to its shareholders, an explanation of that proposal, and then put it before the annual meeting or the meeting of the shareholders at which it is to be considered. It is a very significant step forward, from the point of view of protecting not only the rights of minority shareholders but those of individual shareholders, to get a proposal with respect to their company before their fellow shareholders at an appropriate meeting.

No one objects to that. It is a positive and progressive step. The strange thing is, the government was niggling when it did it because, when it comes to making a proposal with respect to the name of a person who may be a director of the corporation, it requires that be supported by five per cent of the shares of the company. In a simple company with common shares that means you have to hold five per cent before you can make a proposal that so-and-so, who may be eminently qualified, can be put before the shareholders.

Let me be very clear about this. This has nothing to do with being right at the meeting and standing and nominating a shareholder as a director of the corporation. Of course, you can do that; it has been a known rule for a long, long time, and it is fundamental to the proposition. The problem with this is that you cannot notify your fellow shareholders through the informa-

tion circular of the company that you intend to do this unless you can get a number of shareholders to join with you and hold five per cent of the shares.

It strikes me that this is a ridiculous limitation to place on what is otherwise a very beneficial provision. I do not see why it should be necessary at this point to hang on to that rule, which would refuse a shareholder the right simply to write to the management and say: "I intend to propose so-and-so as a director of the company. Please include the background information about this person in your mailing to your shareholders so that, when we come to the meeting and I stand in my place and nominate this person, other people in the room will know who it is." I think we need a little bit of debate in this assembly this afternoon on that restriction, which is imposed in what I have said and which others will say is a very beneficial section.

The second point the Taskforce on the Churches and Corporate Responsibility raised on this issue was that, if the board of directors is going to refuse to send the proposal out to the shareholders, it should be obliged to go before some particular body and justify why it is going to refuse to send it out; and that is a shift in the burden of it, rather than leaving the burden on the person who makes the proposal to say that perhaps the proposal will not be sent out and putting the onus on him to take some expensive step to deal with it.

The task force made a very useful suggestion that the Ontario Securities Commission may very well be adequately staffed, and that it is the appropriate body before which a company which is determined not to send out a proposal within the limited exceptions provided under section 99 should have to go with notice to the proposing shareholder, so that a hearing could be held to justify or not justify the decision of management not to send out the proposal.

I think those were the principal points raised by the task force. They certainly commended themselves to some members of the committee. Indeed, I think all members of the committee felt that there was some merit in them; but, of course, we were faced with closure by the government advisers, who seemed to be less than open to this consideration and rejected both of the proposals.

I would appreciate it if the parliamentary assistant would speak to those suggestions.

**Mr. Mitchell:** Mr. Chairman, I remember the church task force and I recognize that they addressed many concerns. In fact, they had one

I recall very vividly that the member for Riverdale has not touched on.

However, under section 99(4) a proposal can be made on the floor at a meeting. The five per cent rule follows the Canadian Bar Association recommendation. The existing Ontario Business Corporations Act requires five per cent, and the Canada Business Corporations Act requires five per cent. I think what we are showing here is that the proposers really are in earnest, that they are not making a flighty sort of proposal, and I seem to recall that this was the argument put forward at the time.

**4:30 p.m.**

**Mr. Renwick:** Those are not rational responses to a reasonable request. I want to restate it. The parliamentary assistant can comment if he wants to.

If a shareholder can stand in his place at an annual meeting and say, "I nominate so-and-so to be a director of this company," I wonder why it is that shareholder should not be able to write to the management of the company in advance and say: "I intend at the meeting to nominate so-and-so as a director of the company. Will you please send out to your shareholders this brief synopsis of his background of eligibility so that my fellow shareholders, when they come to the meeting, will know something about the background of this person and be informed about him, so that when I stand in my place and nominate him, others in the room will understand something of that person and be informed about it."

It is a question of being informed. In no way is it something that is going to be abused. The argument that the Canada Business Corporations Act does not include it is of no assistance to me. I have never thought that act was the front-runner in corporate law reform in this country. It never has been. I do not know why it would be taken to be so now. The fact that the existing act contains it means that if it is etched in stone once it can never be changed. I think it is a reasonable proposition.

The second point I made was a very reasonable one; that is, if management is not going to send out a proposal, it should be required to go before the Ontario Securities Commission and say why it is proposing not to send it out and let some independent third body with knowledge of matters in the business world decide whether that is a bona fide and fair reason for failure to send out the proposal and whether it falls within one of the limited exceptions contained in the bill.

**Mr. Mitchell:** I have nothing further to say on the subject. I thought we had clearly identified the rationale for the five per cent being in there when we were before the standing committee on administration of justice, as I have identified again in the last few moments.

Section 99 agreed to.

Sections 100 to 111, inclusive, agreed to.

On section 112:

**Mr. Renwick:** Mr. Chairman, my question with respect to section 112 is with regard to the content of the information circular which management must send out to every shareholder when it is engaged in soliciting proxies. The content of that information circular has been a matter of ongoing debate for many years since the idea first found favour. It was decided that shareholders were entitled to have some information about the company which, at least in corporate theory, they own.

The problem now is the extent, degree and adequacy of the information that is furnished to shareholders. The task force made some compelling arguments about the extent and degree of information that should be provided about the background and qualifications of the persons who are proposed by management to be elected as directors and for whom it is soliciting proxies for a favourable vote at the meeting.

I am not going to go into the details of the points made by the task force. The submission is available to those who wish to concern themselves about it. I know the government is not going to make any changes in it. It never will. Unless the business community tells it to make it, it will not make any changes in the act.

However, I do want to say to the minister that one of the matters that requires careful concern and review is the whole question of the content of the information circular, particularly in the light of the kinds of information the task force recommended would be of assistance in making certain that shareholders were aware of the qualities, aptitudes and abilities of the persons who were standing for the purpose of running for directorships and therefore being the ones charged with the management of their business and affairs.

I am not going to pursue it any longer at this point.

Section 112 agreed to.

Sections 113 and 114 agreed to.

On section 115:

**Mr. Renwick:** Mr. Chairman, section 115 has



a subsection that was a matter of significant debate in committee. It was discussed one way or another.

I think it is fair to say, although I cannot speak for all my colleagues on the committee, that subsection 115(3) is inadequate. I think everybody will agree it is totally inadequate where it states: "At least one third of the directors of an offering corporation shall not be officers or employees of the corporation or any of its affiliates."

The task force and others put before the committee the proposition that insiders to the corporation, other than those who are officers or employees of the corporation, should not be included when one is calculating the one third of the persons who are supposed to be so-called public directors, or outside directors or noninsider directors.

The intention was not to exclude from membership on the board of directors, but to exclude in the computation of one third of the members of the board those who were in a confidential relationship to the company or who were, if anything, more knowledgeable about the inside part of the corporation than anybody else and less outsiders than other people.

We were talking about professional advisers of one kind or another, whether they are lawyers, investment advisers or specific advisers of all kinds. What we were faced with was that, with all the wit and wisdom of the government lawyers and of the Canadian Bar Association, they could not agree as to who should be excluded from the calculation other than those who are named already, namely, officers or employees.

When the parliamentary assistant took it upon himself to make a statement last Friday at the time we came back into committee of the whole House, he dealt with this question and stated that in the next year or so the ministry was going to consult with the bar association with a view to bringing in an amendment. I want to emphasize to him that I do not want the ministry to be barracked by the business community so that somehow or other the problem is insoluble.

We had all sorts of fringe examples given to us as to whether so-and-so would be excluded. Because he had been retained as an agent for some lawyer somewhere to buy a piece of property, would he be excluded? If he gave only some minimal advice to the company, would that exclude him?

If I can use it in legislative terms, the evil to be addressed and the benefit to be derived from the

provision which says that one third of the directors shall be outside directors, is a far greater benefit to be achieved and an evil to be avoided by making certain that the persons who are included in the calculation of the one third are not persons who stand in a confidential relationship with that corporation.

It should be obvious that it is possible, without saying in every case that this, this and this are the only persons who are excluded, to be able to say, "If the nature of your knowledge about this company is such or of this degree, then you are not eligible to be included in that calculation." I emphasize again, that is what it is all about.

**4:40 p.m.**

We have been through this same kind of argument about who is an insider and who is not many times over many years. In different contexts, the problem has finally been resolved, that insiders should not be trading with the corporation for their own benefit. We managed to get that far. To have at this latter day this provision introduced into our legislation as it has been and then to say, somehow or other, we cannot define the people who are to be excluded from the calculation is beyond me.

Assuming that the government carries out its intention, I will certainly look forward to that amendment being introduced not later than the end of the year, I hope.

**Mr. Mitchell:** Mr. Chairman, I have just a quick comment to the concern raised by the member for Riverdale: I would not have made the commitment to you to have subsection 115(3) further examined if I did not fully intend to do so.

We have run into some stumbling blocks. We were drawing to your attention in the statement that we do not intend to sit back on that but rather to pursue the matter by asking the business law section of the Canadian Bar Association to study it and, we hope, recommend within the year an amendment that is acceptable to you. If that could come sooner, we would most definitely attempt to introduce it at the time we will be tabling the amendments from the Toronto Stock Exchange and the Ontario Securities Commission. I did not make that commitment to you lightly. We shall be proceeding with that as best we can.

Section 115 agreed to.

Sections 116 to 130, inclusive, agreed to.

On section 131:

**Mr. Renwick:** Mr. Chairman, we had a useful discussion in committee about this section of the bill. I know everyone in committee will be upset that I appear to have misplaced my papers on this matter, but I think I can recall the gist of the argument without going into it at great length.

First, I was pleased that section 131 was restructured and brought up to date and modernized in its concepts. Basically, it provides that the directors of the corporation are liable to the employees of the corporation up to an amount not exceeding six months' wages that may become payable for services performed during the period when such a person is a director of the company and for vacation pay and so on. The provision then states that if the director pays the employee, the director is subrogated to the position of the employee and is entitled to whatever preference the employee may have.

I recognize the legitimacy of the position taken as a result of the discussion, that it is likely not appropriate in the Business Corporations Act to specify what the security or the priority may be of an employer for his wages in the context in which it was placed before us.

I do want to make two points as clearly as I can. I am indebted to Mr. Levin, who appeared before the committee, for drawing this to my attention. I want to make certain that the government understands that the limitation of \$2,000, which appears in the Employment Standards Act at present with respect to the maximum amount of the preference an employee may have with respect to his wages, is out of date in relation to something called a six-month period. I do not know how long the \$2,000 figure has stood in the Employment Standards Act, but it obviously has to be changed.

Second, there is no question whatsoever that we in this assembly cannot encroach upon whatever priorities are established under the Bankruptcy Act. Again, that is quite clear, and it is clear both in the way in which the Employment Standards Act is phrased and in the way in which there is a reference in section 131 to the Bankruptcy Act, which is under federal jurisdiction.

I do want to try to urge that whether it is in the Employment Standards Act, about which I have a very serious question, or whether it should be in the Business Corporations Act, is not a question related to the amount, whether it is six months or \$2,000 or whatever that figure is. There should be a figure in the Employment

Standards Act and it should be amended, as I have said.

The question is whether an employee should have a better security than simply a preferred claim under the Bankruptcy Act, or, if a company is not under that Bankruptcy Act, the kind of preferred claim referred to in the present Employment Standards Act. Is the employee entitled to have not only a preferred claim but also a secured claim, recognizing that under the Bankruptcy Act that question ultimately will be decided in a bankruptcy by the bankruptcy preferences subject to being secured?

I simply draw to the attention of the government that when they wanted to secure their own taxes—and this was in existence until some years ago—they specifically provided that in so far as a corporation was concerned, all taxes, etc., are debts due to Her Majesty and, subject to the Bankruptcy Act of Canada, are a first lien in charge upon the property in Ontario of the corporation, etc.

Beyond the question of straight preference, they recognized the legitimacy of the Bankruptcy Act and gave employees not only a preference in ranking but also a claim with respect to security. I cannot understand why we cannot extend to employees what the government of Ontario demanded for itself with respect to taxes.

I would appreciate it if, during the course of the time that the parliamentary assistant is considering the other question on which he may bring in an amendment, he would do two things at the same time.

1. The \$2,000 figure in the Employment Standards Act should be changed. I recognize that does not fall under this ministry but under the Ministry of Labour, but I specifically ask the parliamentary assistant to draw that anomaly to the attention of the Minister of Labour, because it should no longer be simply \$2,000.

2. Whether it is in the Employment Standards Act, which may be the most appropriate place, or it may be the ministry's corporate advisers will advise the ministry that it should be in the Business Corporations Act, we should look at the kind of security we had for corporation taxes due to Her Majesty and consider whether in this day and age, having regard to what is happening to so many employees, they should be not only entitled to rank after secured creditors in a particular order but also entitled by law to a first security of significant priority over and above the amounts owing to banks and others, so that the employees who work for the



company will have the benefit of security as well as preference.

**4:50 p.m.**

I admit the concepts are a little bit confusing, but I think I am finally clear in my own mind what the problem is. First, I am satisfied with section 131 as it now stands in so far as it is an updated, revised version of the previous section in the Business Corporations Act.

Second, the archaic figure of \$2,000 in the Employment Standards Act must be changed.

Third, and this is the point on which I have had difficulty expressing myself, I believe the ministry has so far rejected the idea that wages of employees up to six months should be given not only the preference to which they are entitled under the Employment Standards Act but also the protection of the kind of first lien and charge upon the property of the corporation, similar to the kind of priority the ministry ascribes to itself with respect to debts owing to Her Majesty under the Corporations Tax Act.

It is an important clause at all times, but it is very important in times such as these when any number of employees are losing out as, for example, when Canadian Admiral went into receivership and, I believe, ultimately into bankruptcy, and my guess is that the benefit we tried to give them was not afforded to them.

**Mr. Mitchell:** Mr. Chairman, the member for Riverdale is looking for a commitment that I am pleased to respond to. During the time when we are trying to prepare the further amendments that are expected in the fall, we will examine the Employment Standards Act and hold other discussions to see whether that figure should be upgraded and improved upon within the Employment Standards Act. We shall look at it even more thoroughly in the light of the comments made, and I am quite prepared to give him that commitment.

**Mr. Renwick:** I have just one final comment on that. I overlooked that I have section 14 of the Employment Standards Act here, so I can be clear on what I am trying to say.

Section 14 of the Employment Standards Act reads, "Notwithstanding the provisions of any other act and except upon a distribution made by a trustee under the Bankruptcy Act (Canada), wages shall have priority to the claims or rights and be paid in priority to the claims or rights, including the claims or rights of the crown, of all preferred, ordinary or general creditors of the employer to the extent of \$2,000 for each employee."

That is clear with respect to the ranking of persons. However, it does not accord to the employee any security on the property. In comparison to that, I would appreciate it if someone could look at some point at section 94(1) of what was then in the Corporations Tax Act. I am going to give the old citation for it—I think it was RSO 1960, chapter 73, section 91(1)—which no longer exists in the present Corporations Tax Act. The crown had this statement: "All taxes, interest, penalties, costs and other amounts payable under this act are debts due to Her Majesty and, subject to the Bankruptcy Act of Canada, are a first lien and charge upon the property in Ontario of the corporation."

So, in this analogous situation, it is a first lien and charge on the property of the corporation, as well as there being an entitlement to whatever preferential rights there might otherwise be with respect to debts due to the crown. I think a comparison of the two sections will illustrate the kind of additional protection to which I trust the government would consider employees of business corporations in this province are entitled. I am also prepared to agree that if the appropriate statute is the Employment Standards Act, so be it, as long as we get the object of our wish.

**Mr. Treleaven:** Mr. Chairman, I wish to refer to the central point made by the member for Riverdale, the raising of the liability of the directors. If the \$2,000 limit is raised, the words "jointly and severally" perhaps should be reconsidered. The way it is now, those words mean that each director, individually, is liable for the total. He can go against others for reimbursement contributions and take assignment of judgements, but usually that is an empty bag.

With the limits being raised, there should be some change in the phrase "jointly and severally" so that the liability can be spread over all directors, instead of picking out the most pecunious of the directors. If the ministry decides to make the change suggested, it should also make the change I have recommended so as not to put too heavy a burden on directors. Otherwise, people would be reluctant to become directors of corporations.

Section 131 agreed to.

On section 132:

**Mr. Renwick:** Mr. Chairman, my only reason for commenting on section 132 is the extensive correspondence I have had with the ministry in connection with a past case. I hope future

similar cases will be addressed by the new subsection 132(9). In the case to which I refer, the chief executive officer of a company departed from the service of the company over the failure to make full and complete disclosure of interest but, for reasons best known to the company involved, was allowed to keep the profit that had been made as a result thereof.

Whether or not the new subsection 132(9) will meet the problem, one never knows; it may catch some cases. However, I believe the weasel word in the section is the term "material" in the phrase "material contract or transaction." The ministry people will be aware of the instance to which I am referring. I do not know whether the contract in which that chief executive officer did not disclose his interest, and thereby made a hidden profit at the expense of the company for which he was the chief executive officer, was a material contract and would have been caught by the term "material contract or transaction."

As I said, the term "material" is a weasel word in securities law. It is a vexed word, but corporate lawyers love to have it because it lets them off the hook on many occasions. I have a funny feeling that somehow or other in the case that was of concern to me, the chief executive officer probably could have kept the profit, because somebody would have said, "Oh, well, it is not a material contract or transaction" in relation to the overall business of that large corporation.

While the contract from which he derived the private benefit without disclosing his interest may not have been material in relation to the whole of the operations, it was sufficiently material that he made a profit, did not disclose it and kept the money.

5 p.m.

But I raised that. I have never been successful in persuading the ministry under any circumstances to drop the word "material" at any time or any place in this act, but that does not mean I will not continue over the years to be very worried about situations where it is inappropriate to use that limiting word.

**The Deputy Chairman:** The parliamentary assistant has no comment. Is there any further discussion on section 132?

Section 132 agreed to.

Section 133 agreed to

On section 134:

**Mr. Renwick:** Mr. Chairman, I will refrain from making my comment on section 134. I have made it so many times and so often that

even I am almost prepared at this juncture not to make it.

Section 134 agreed to

Sections 135 to 152, inclusive, agreed to.

On section 153:

**Mr. Renwick:** Mr. Chairman, this was probably one of the most interesting proposals made by the Taskforce on the Churches and Corporate Responsibility when they appeared before the committee. I am going to comment a little bit because my comments also touch on section 157.

Section 153 talks about what the directors must lay before the shareholders at the meeting of the shareholders for approval, and section 157 deals with the audit committee, whose job is to review the financial statements of the corporation, report to the board of the corporation and so on and be available for questions at the meeting of the shareholders.

The introduction of the audit committee concept was a beneficial change in our law. It gave the specific responsibility and protection to the board of directors that the audit committee as well as the auditor, who draws up the financial statements, would have the responsibility to report to the board before the board reported at the annual meeting.

It was interesting that the task force put before us the proposal that there should be a committee on social responsibility. They detailed at some length in their submission to the standing committee on administration of justice some of the matters that it would be appropriate for such a social responsibility committee to deal with. They itemized them at some length in their brief to us; the kinds of matters had to do with the code of ethics under which the company was operating.

I suppose all one can do is thank this task force for having brought the matter before us and say to the government that perhaps once again Ontario could be in the forefront of the kind of change that should properly be made in business corporate law by introducing the concept not only of an audit committee but also of a social responsibility committee of the board.

So that there is no misunderstanding that somehow or other this is a wishy-washy concept, the task force brought to our attention at the time of the meeting some examples of the objectives and codes of conduct already in use in corporations of significance in this country. They provided us at the meeting with Social Responsibility and Corporate Conduct: A Pol-



icy Statement of the Canadian Imperial Bank of Commerce; they provided us with Alcan, Its Purposes, Objectives and Policies.

At a later date they provided us with similar principles of action from Canada Cement Lafarge Ltd.; from Inco—my colleague the member for Sudbury East (Mr. Martel) will be interested in this—Corporate Purposes, Principles and Strategies of International Nickel Company; and from Imperial Oil, which I think is the most fulsome statement, Corporate Ethics, A Statement of Role and Principles.

It is very interesting that large corporations are finally in the process of beginning to recognize they have public responsibilities to the communities within which they operate, because of the wide-ranging nature of the social impact they have as corporations, and with respect to the degree of the extent of their responsibilities as to standards of conduct. People will say, "You know, you can't legislate morals," but, in fact, we legislate little else than standards of conduct.

The fact that companies of this size have seen fit, not just as a matter of public relations—I know some people are sceptical about the motivations behind these kinds of statements but I have some sense that an immense amount of work and attention and time went into the preparation of some of these statements, with respect to their expectations from their corporations and to their expectations of performance by their employees, not in terms of work production but in respect of standards of conduct in their relations to the public.

It is the same with their boards of directors and others. It would not be inadvisable for the government of Ontario to consider saying that there should be a social responsibility committee of the board of directors, whose responsibility it would be to report to the board of directors prior to the annual meeting of the shareholders as to whether the corporations had in the past year lived up to the standards they had established for themselves, and in what respects they had failed to live up to those particular standards.

I know it is always difficult with the Conservative government in Ontario to get it to move until its business friends tell it, "Now is the time." But I am saying to the ministry and to the government, and through the parliamentary assistant to the minister, that the time has come when, modelled on the audit committee, there should be a social responsibility committee. I think this assembly and everyone in it, and

certainly the members of this committee, should be indebted to the Taskforce on the Churches and Corporate Responsibility for putting the concept clearly before a committee.

I know there are members of the assembly who get bored with statutes such as the Business Corporations Act. I join with them on occasion in being equally bored with all the technicalities and so on that are involved. But on questions such as this, very formidable questions of whether we still have the capacity in Ontario to provide the leadership that was provided some years ago in the field of corporate law—and I am specifically addressing the minister's advisers under the gallery—I do not want to hear that, until the Canada Corporations Act has it inscribed in it, we shall not consider it. We are not tracking that act all the time. We have an independent initiative and responsibility.

It seems to me that the corporate statement by Imperial Oil, with all the scepticism that one may bring to bear in thinking about it—I am not going to use Inco as an example, because my friend from Sudbury East might have an apoplectic fit here if I did—but Imperial Oil has stated "what we believe in; what employees can rely on; some specific things all employees need to know." It also deals with "what others mean to us." It uses rather glowing language; "What To Do in Uncertain Situations." Appendix 1: "Conflict of Interest and Other Related matters"; appendix 2: "Compliance with Combines Law." There are other such fairly detailed statements, putting the responsibility directly on the corporation and its board of directors to ensure that they are carried out.

We got nowhere in the committee on that concept. I simply want to express my personal appreciation to the task force for having raised the matter and to lend my small voice perhaps to furthering the cause of that kind of a committee.  
5:10 p.m.

**Mr. Mitchell:** Mr. Chairman, I previously had acknowledged the input of the committee and during the committee's deliberations I had committed to the member for Riverdale that I would ensure the minister was aware of the brief they had presented and, more particularly, those areas such as the social conscience committee or whatever we wish to call it.

I should point out, and I think the member has made the point extremely well, that companies are doing it without us having to legislate it. This is a Business Corporations Act. Not being a lawyer, I could not attempt to spar with him, but what we should be putting into an act like this

are those items necessary to ensure the safe and proper operation of the company.

There is nothing to prevent such committees being formed in other companies. Many do. I suggest that is perhaps the best way for it to be handled.

Section 153 agreed to.

**Mr. Chairman:** It is my understanding that there is no other discussion before section 157.

Sections 154 to 156, inclusive, agreed to.

On section 157:

**Mr. Renwick:** Mr. Chairman, the comments that I have just completed on the question of a social responsibility committee covered not only section 153 but also section 157 because I was analogizing to the audit committee, which is provided under section 157, as being an appropriate way in which a social responsibility committee of a board could be established. I have no further comments on the bill, other than to say I am now grateful that the debate on this bill is concluded.

Sections 157 agreed to

Sections 158 to 183, inclusive, agreed to.

On section 184:

**Mr. Chairman:** Mr. Mitchell moves that subsection 184(2) of the bill be struck out and the following substituted therefor:

"If a corporation resolves to amend its articles in a manner referred to in subsection 169(1), a holder of shares of any class or series entitled to vote on the amendment under section 167 or 169 may dissent, except in respect of an amendment referred to in,

"(a) 169(1)(a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent or,

"(b) subsection 169(5) or (6)."

**Mr. Mitchell:** Mr. Chairman, this proposed clause 184(2)(b) is a consequential amendment that was overlooked when subsections 169(5) and (6) were proposed as amendments when the bill was before the administration of justice committee.

Section 184, as amended, agreed to.

Sections 185 to 270, inclusive, agreed to.

On section 271:

**Mr. Chairman:** Mr. Mitchell moves that paragraph 271 (23) of the bill be struck out and the following substituted therefor:

"23. prescribing the manner in which the directors of corporations may determine that

restricted shares are owned contrary to restrictions under subsection 45(1)."

**Mr. Mitchell:** Mr. Chairman, the only comment I wish to make is that the amendment striking out subsection 42(3) of the bill renders paragraph 271(23) meaningless, so it is struck out. The new paragraph 23 is required by the amendment of subsection 45(1).

Motion agreed to.

Section 271, as amended, agreed to.

Sections 272 to 279, inclusive, agreed to.

Bill 6, as amended, reported.

On motion by Mr. Mitchell, the committee of the whole House reported one bill with certain amendments.

## MINISTRY OF INDUSTRY AND TRADE ACT

Hon. Mr. Walker moved second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Hon. Mr. Walker:** Mr. Chairman, I will have copies of the statement delivered to members in one moment.

At second reading of the bill to establish the Ministry of Industry and Trade I would like to take a few moments to outline the new ministry's role, touch upon the clients and citizens we serve and indicate how we intend to assist the private sector. In today's economic environment the most important concerns of any ministry involved in economic or industrial development must be the competitiveness of existing industries and the creation of jobs for the future.

Having said that, however, I must say that I do not see government's role as one of job creator; that function has been and should continue to be the role of a healthy and confident private sector. What government can do is develop policies and strategies that encourage private enterprise to invest with the fullest confidence in its province and its country. That investment, in turn, will stimulate employment.

The new Ministry of Industry and Trade will support the growth of productive and stable employment by assisting the private sector in three main areas: expanding trade, encouraging investment opportunities and strengthening the competitiveness of Ontario's industrial base.

First of all, the expansion of trade. The new ministry will help businesses to sell to promising markets both domestically and internationally. A great deal can be done to expand the domestic market for goods and services, and we will support this expansion by an enhanced domes-



tic marketing program. Initiatives to help firms sell within Canada will include identifying major sectors with high import-replacement opportunities, working with the private sector in an expanded consumer buy-Canadian program and assisting large Canadian firms to find domestic suppliers.

**5:20 p.m.**

Canadian-made goods have a place on the international market and this market must be tackled more aggressively. We will help provide an environment in which this thrust can be made and exports expanded.

To help Ontario capture more international trade and investment, a new trade division will be created within my ministry. Working in tandem with the Ontario International Corp., this division will provide leadership for Ontario in the fiercely competitive international marketplace. Given such competition, we must step up our international efforts merely to maintain our present position.

However, we intend to go beyond that level, focusing on those areas with the greatest potential for growth. We will therefore be increasing the number of trade missions and our participation in trade fairs abroad both to introduce traditional, nonexporting Ontario companies to world markets and to ensure we continue to build on existing opportunities in foreign trade.

Second, encouraging investment opportunities: The new ministry will be encouraging investment opportunities both by existing Ontario businesses and by foreign investors. Ontario firms will be encouraged to invest in new machinery and equipment so we have the most modern and productive plants necessary to compete with a world that already recognizes the importance of keeping abreast of technological innovation and is acting accordingly.

One major way we will help will be in helping Ontario firms apply new processes and technologies through the establishment of technology centres throughout the province. These centres will help industry to develop products that preserve and expand a place for Ontario on the cutting edge of the world market.

The centres will be involved in the fields of biotechnology, microelectronics, robotics, computer-assisted design, computer-assisted manufacturing, food processing, auto parts and resource machinery development. To enhance further our economy's ability to participate aggressively in technological change, the Ministry of Industry and Trade also will be responsi-

ble for the new Innovation Development for Employment Advancement Corp.

The IDEA Corp., with private and public sector representatives, will identify the needs of Ontario industry and serve as a broker among private, public and university research interests. It will help ensure that technological innovation remains a major part of economic development in the province and that it will be converted into profitable business ventures.

This government feels that another way to encourage investment in Ontario is to show we also welcome investment from outside Canada. If foreign companies can prove responsibility and performance, if they can provide us with significant benefits in such things as new jobs, research and development, technological processes and demonstrate their willingness and commitment to contract with local suppliers, then we feel that Ontarians should have the chance to share in the experience, knowledge and rewards such companies can and do bring. With an expanded international program, my ministry will identify key investment markets around the world and convince them of the benefits of investment in Ontario.

**Mr. Cassidy:** The ministry of sellouts, that is what you are.

**The Deputy Speaker:** Order.

**Hon. Mr. Walker:** In its mandate to strengthen the province's industrial base, the new ministry will work with Ontario industry to strengthen its already competitive position.

**Mr. Cassidy:** Is that what foreign investment has already done?

**The Deputy Speaker:** Order. Allow the minister to read his statement.

**Hon. Mr. Walker:** Dozens of firms in the province have found time and again that with the right support Ontario has the ability to compete internationally in price, quality and innovation. One simply has to look at the microelectronic field for an example of what we can do.

We can do more. The right policies will help firms do more. The emphasis of such policies will be on assisting small business development, replacing imports, encouraging world-scale manufacturing facilities, encouraging emerging sectors and accelerating new technological introduction and transfer.

We have more than 240,000 small businesses in Ontario which provide about 40 per cent of our employment. It is obvious any policy designed to support job creation must recognize the

immense value of the small business community and look for ways to encourage its growth. For this reason, we have been encouraging large companies to make sure they purchase a high proportion of goods and services from Canadian enterprises.

This government already has an excellent reputation for developing programs to reduce imports, programs such as the health care replacement program, that have led to inter-provincial co-operation and more jobs for Canadians.

Recently we announced our support for the new federal-provincial institutional purchasing program, and we intend to work with the private sector to maximize Ontario's opportunity from this latest initiative.

In our work strengthening the province's industrial base, we will emphasize, as I have said, world-class facilities, world-competitive products and services, as well as worldwide distribution. The success of our thrust in this area will depend to a great extent on our keeping up to date with the new technologies, products and processes.

I have outlined the three main priorities for the new Ministry of Industry and Trade. These priorities will govern all activities of the ministry, including those of the Ontario development corporations, which in the real sense are the financial arm of the thrusts I have outlined.

Over the next year, as we review all our programs, the new ministry will solicit the ideas of the business community, the financial community, the labour community, research and educational institutions, other governments and related associations as to how we can best serve the interests of Ontarians and Canadians.

In our efforts to obtain the opinions, concerns and ideas of all groups who could influence employment development and economic growth, we will expand what has been our traditional client base, with its major focus on secondary manufacturing, and pursue the potential of other client groups, such as primary manufacturers, service industries and other industrial sectors.

We have every confidence that, together, business and government can provide opportunities for people in this province and for future generations—opportunities that will surface when people are working and have a sense of fulfilment, a real feeling that they have had the chance to contribute to a brighter future.

This bill to create the new Ministry of Industry and Trade belongs with those other key

Ontario government initiatives, such as the creation of the Board of Industrial Leadership and Development, which will help spur economic development and growth in the future.

**Mr. Sweeney:** Mr. Speaker, there is not much new in there. As a matter of fact, one of the things that caught my attention when I compared this bill setting up the new ministry with the section of the statute that defines the former ministry—chapter 282, the Ministry of Industry and Tourism—was the fact that there was not very much difference. There have not been very many changes when you go through this bill chapter by chapter and section by section. Of course, we will get to that at a later date.

The former Ministry of Industry and Tourism Act was passed, for the most part anyway, in 1972. That is 10 years ago. What it seems to suggest to us is that this government has not learned very much in 10 years. As a matter of fact, that is not surprising, because what we have to recognize is that neither this government nor this minister is the right body to carry out what needs to be done in Ontario right now.

During the 1950s and the 1960s, Ontario had a booming economy, an economy where the best thing the government could do was to keep its hands off, to stay away, to stand back if you will, and allow it to operate. Of course, the same thing was happening in most places in the world. The Tories—this government—have proved that they are very effective at doing that. I will give credit for that, credit where it belongs and where it is deserved.

But then we hit the 1970s, and now we are in the 1980s. Quite frankly, neither this government nor this minister in my judgement is the right government or the right minister for what we needed in the 1970s or what we are going to need in the 1980s.

Let me make it very clear I am not in any way being personal when I say this minister is not the right person. This minister has done quite an admirable job in some of his former ministries; he has shown a talent for organization and administration and a sense of what is needed. My fellow critics did not always agree with everything he did.

I want to make that very clear. It is not, in my judgement, any lack of ability on the part of this minister or indeed on the part of his government, but simply a way of looking at the industrial development of this province, which, in my judgement, is the wrong way. This minister has made it very clear and he emphasizes it again in his speech that there are two things to



which he is addicted. There are two things to which this government has been addicted for almost 40 years.

5:30 p.m.

The first one is, "Stay out, hands off." I have already indicated there was a time when that was appropriate. This is no longer that time. This minister has made it very clear in two or three public speeches since he assumed office that he still feels that way. That is okay if that is his personal commitment, his political commitment, his ideological commitment. That is fine. I think it is proper that he say where he stands. I give him credit for in no way equivocating about that stand. But that is not what we need now.

We do not need a laissez-faire government. We do not need a laissez-faire minister. We do not need a government or a minister who says, "We are going to stand back and let private industry do it." It is patently clear that either through a lack of will, a lack of ability, or economic situations in which it simply cannot operate, private industry cannot and is not doing the job that needs to be done.

Again, let me make a point clear. I do not believe it is the job of government to run business or to run industry; I agree with the minister on that. I agree with his government's position on that. But where we draw a line is the degree to which we assist, the degree to which we involve ourselves, the degree to which we participate; not in taking over, but in jumping in with both feet and becoming clearly and actively involved; participants, in other words. I get the strong sense, and will continue to have that strong sense until I see evidence to the contrary, that this minister and this government are not prepared to go that far. Consequently, we are going to continue to have problems in this province.

The second area in which I strongly draw the line between myself and the minister is in the degree of foreign investment in Ontario. In my judgement, the 60 per cent of the industry of Ontario that is in the form of branch plants is an albatross around our necks. Once again, there was a time when we needed that kind of participation, that kind of involvement, but that time is long past.

Over the last two decades, at least the decades of the 1960s and the 1970s, the industrial strategy of Ontario should have been to support, to encourage, to provide initiatives for Canadian-owned and Canadian-managed businesses to flourish and to grow and gradually to replace

and, yes, displace, the foreign branch plant economy of this province. I need not tell anyone in this House that simply was not done, and it is not being done now. That is the tragedy of the economy of this province, and we have paid a terrible price for it.

One would think we would have learned. Yet in the last couple of years we have seen this minister's predecessor and the Premier (Mr. Davis) of this province travelling around the world, travelling to Japan, West Germany, Texas, travelling where they will. For what purpose? To invite even more branch plants to locate in Ontario—the one thing we do not need.

Kitchener would be a lot better off if it were not so subjected to the branch plant economy that affects this province. That is why, in Kitchener, the federal government had to step in with its industry and labour adjustment program and bail out the economy of that city, or at least help to bail it out, because this province was not doing the job.

That is what is the matter with my city. That is why I am justifiably angry when I speak of what this government has done, is doing and needs to do. It has not been the provincial government that has helped my city; it has been the federal government that has helped my city when it really needed it.

I indicated there were those two strong differences of opinion and we want to reinforce these as we go along. The disheartening thing is that this is a pretty good piece of legislation. It does give the minister and the government all the power they need. It is almost unlimited power. I am sure the minister is even aware of that himself. Maybe it is because there is so much power that he is cautious with its use. I would like to have the minister comment on that at a later time when he has the opportunity to do so. I could understand that because it is all there.

When we look at the objectives of this minister, when we look at the powers this legislation gives the minister and the government, I cannot see a single thing that needs to be done in this province that could not be done under this legislation. The minister has powers to promote investment and trade, to encourage new technologies, to provide financial assistance, to disseminate information, to provide direct services, to advocate the interests of the business sector, and on and on it goes.

Section 8 of the bill deals with what could be called a provincial Department of Regional



Economic Expansion to identify certain sections of this province that need special attention. Clause 3(e) of the bill has as an objective the adaptation of industry to current needs and new technologies. It is all there. This legislation would enable this minister and this government to do what needs to be done and what must be done.

I want to concur with a couple of things. First, the minister made a strong point in previous statements, in his previous definition of this ministry and again this afternoon, that his first emphasis, his first priority, his first responsibility is job creation. I agree with that. That is what is needed in this province right now, above and beyond everything else. There can be little doubt that, in this province at least, strengthening and reaffirming the industrial base is where those jobs are going to be created. In that matter, the minister and I certainly have a point of agreement.

Second, I think the time is long past to have this kind of ministry, a ministry of both industry and trade, because it is equally clear that Ontario has not spent the time, the effort or the energy on the trade policies and assistance to the trade policies of the industrial base and of the businesses of this province.

We know we are a trading nation. We know that Ontario, being the industrial heartland of Canada, more so than any other part of the country, must either live or die on its ability to trade in the international market. I was pleased when the minister emphasized in his statement the need for us to get in with full force and full participation in the competitive international market.

I hope that one of the thoughts behind the Premier and the government setting up this particular model means there is going to be greater liaison and co-ordination between the provincial and federal governments in the fields of both industry and trade. It seems to me that the two ministries, federally and provincially, are roughly parallel and that their needs, aspirations, objectives and goals would be roughly parallel.

It is a fact, or has been a fact in the past, that the industrial strength of Ontario has an impact on the entire country. It is now the fact that Ontario has lost its industrial clout, if you will, and has lost the strength of its industrial base that is contributing to some of the problems in the entire country.

5:40 p.m.

I can remember the attitude of the rest of the country towards Ontario after the recent meeting of first ministers in Ottawa on the economy of this country. The *Globe and Mail*, I believe, reported shortly after the meeting that it was obvious Ontario no longer had the clout it once had; that it was obvious that the rest of the country, which used to look forward to the economic leadership of the province of Ontario, was not looking there any longer; that it did not perceive Ontario to have the economic and industrial answers the country as a whole needed, and it was looking to other parts of the country for them.

Like most members in this House I am a Canadian first. Most of us agree that we want a strong country. But we also agree that we in Ontario, and particularly we as Ontario legislators, have to contribute to the strength of the country; and when the economic strength of Ontario is not recognized by the rest of the country then it is a clear sign that we are not doing our job.

As a matter of fact, I remember that in this particular article the Premier himself, when questioned by a reporter, sadly lamented that Ontario did not command the respect it once had commanded, that it was not listened to in the way it once was, that its ideas about the economic restructuring of the country were not given the attention they once were.

We have to restore that balance; we have to expect that other parts of the country are going to grow economically. Sure they will, and we should be glad that other parts of the country are growing economically, but we do not want them to grow while we slide down. I am not saying they are growing at our expense; that is not what I am trying to suggest. But we are not growing at the rate we should be; we are not even maintaining what we should be maintaining.

Therefore, on the one hand I agree with the minister that jobs have to be our priority; I agree with the minister that trade has to be a priority. But we have to recognize that neither one of those is going to come to anything if, in this province, we do not have an industrial base, if we do not have an industrial strategy and if we do not have the participation of the government of this province in the industrial and economic life and health of this province to a much greater degree than I expect it is going to be or, certainly, than history shows us it has been recently.

Mr. Speaker, there are certain defects in the



way the present government operates and, I can only assume until it is changed, in the way the present minister is going to operate with respect to assisting industry and business in this province. I have brought a couple of these matters to the minister's attention already.

In my judgement and in the judgement of the businessmen and businesswomen I have spoken to, the Ontario Development Corp. simply is not doing its job. It takes too long to make its decisions. I brought a particular case to the minister's attention. I could say parenthetically that I am still waiting for his answer. What is it now, six weeks or seven weeks? I am not sure. And that is typical, because that is exactly how the development corporation works: You wait and wait and wait and wait; and many businessmen I have had the chance to talk to since I took over as the critic for this ministry have told me they have experienced the same thing.

This is true, by the way, for many of the minister's assistance programs. His ministry has a great little book that lists all of these wonderful programs, all these support mechanisms, all these incentives, all these initiatives to help businessmen in this province. Yet when I talk to businessmen, those who have tried to involve themselves say, "Never again." Because of the red tape, the bureaucracy, the waiting, the limitations, the mandates, they say, "Forget it." Those who have not tried have heard those kinds of horror stories and are not even going to try.

While we are dealing with the composition of his ministry, I suggest that the first thing he should do is to take a long, hard look at the mechanisms he has in place to help business and industry in this province. While he may concentrate on the success stories, the businesses that seem to have worked through the system, there is a large number of them that have not been able to do so and are not even going to try. The very fact that those mechanisms are in place certainly would indicate that the government and, I hope, this minister have a genuine intent to help these businesses. But the mechanisms must be examined, because they are not working.

One of the things I think we could use, and businessmen with whom I have spoken have said it is worth taking a good look at, is a small business development bond for Ontario along the lines of that used in some of the American states and municipalities. Such bonds are issued at a low rate of return, but the return is tax deductible. That would provide a real incentive

to business to make some of the kinds of decisions that are facing them right now.

Everyone here is fully aware of the disastrous effects the federal government's high interest rate policy is having on business in this province. I do not like it any more than the minister does. I have said so, and I have gone to Ottawa and said so. But I do not know how we would deal with the after-effects if the government were to act unilaterally to bring the interest rates down.

I have been told by the experts about what would happen to the value of our dollar, compared with that of the United States, and about the large amounts of money that would flee the country. Maybe these things would happen and maybe they would not; I do not know. That is not our jurisdiction, but there is another jurisdiction that can deal with that. The Treasurer (Mr. F. S. Miller) and the Premier are going to have to deal with that other jurisdiction.

The question remains, what can we do here, right now? Surely we can bring in something like the small business development bond that I have mentioned to ameliorate the impact of high interest rates on businessmen in Ontario. The degree to which we are going to be able to do that is a financial decision that this government is going to have to make. It cannot continue to say, month after month and day after day, "There is nothing we can do about it."

This government has a \$20-billion budget. It has all of the resources of this province at its disposal. There are some things it can do and some things it must do. I simply repeat, have a look at a small business development bond and see whether it would work for businessmen in Ontario. Look to see whether there are drawbacks, but look for the advantages as well. I have been told by a number of businessmen that the bonds certainly would be an improvement over the programs already in place.

I want to return to the question of job creation. I realize that this minister, by himself, is not going to be able to solve that problem. He is going to have to work very closely with the Minister of Colleges and Universities (Miss Stephenson), who is responsible for a lot of the manpower training in this province, with the Minister of Labour (Mr. Ramsay) and obviously with business and industry.

If all three of those ministries do not work closely together, this problem will not be resolved. Just as we have relied upon branch plants as our industrial base for far too long, so have we relied upon importing the skilled help that our indus-



try needs. Once again, just as we are facing the catastrophic effects of our reliance on branch plants, we are also facing the catastrophic effects of our reliance on imported skilled labour.

5:50 p.m.

As we look back, this is not something that had to be. I remember sitting in this House, back about 1976, when the Honourable Harry Parrott was Minister of Colleges and Universities. He had just previously asked his officials to go back through the records of the ministry to check the various initiatives the government had made with respect to skills training. He got up that night and said there was a recurring theme that deeply troubled him. He quoted a series of dates and a series of reports: 1963, 1968, 1971, 1974. The significance of each of these dates was that it was a time when the government of Ontario, the same one as the present government, had initiated a commission or a study on the whole question of job skills training and, after each one, little or nothing was done.

Interjections.

**Mr. Sweeney:** Those are not my words. They are in Hansard for 1976. Check them yourself or have one of your officials check them.

What the minister clearly said, although he did not say it quite as clearly as I am saying it right now, was that the problem was known, the solution to the problem was known and yet nothing, or very little, was done about it. Consequently, when he said it in 1976, and when I am saying it now in 1982, it did not have to be, and it does not have to be. It is not like standing here today and looking back 10, 15 or 20 years in hindsight and saying, "If we had only known." We did know—

**Mr. Haggerty:** Hydro has known about the shortage of skilled trades for years.

**Mr. Sweeney:** —as my colleague the member for Erie points out. Remember that time? The minister was in the House. I think it was in 1977 that an announcement was made that Ontario Hydro was going to import 75 skilled technicians from England. I think I was the one who asked the question in the House of the then Minister of Energy: "Why are you importing these people? What are they for?" The answer was, "To run the nuclear generation plants." I said, "With all of the unemployed people we have in this province, why are we not training them ourselves?" He said, "We don't have time."

My God, 15 years previously, the policy

decision was made to go into the nuclear generation business in Ontario. Ten years before, the first operating plant was put on stream. What did the Minister of Energy, Ontario Hydro and this government think was going to happen to those plants—that they were going to run themselves? Were the nuclear technicians who were going to manage those plants just going to appear out of the air? It really does not take very much foresight to realize that when the plants become operational, there will be a need for skilled technicians to operate them. Once again, that was not hindsight; that was something that was known, but it was not acted on.

I mention that example, and I thank my colleague the member for Erie for bringing it to my attention, to show the sort of thing that has happened and why it cannot happen again.

May I say as an aside that, right now, I understand there is a conflict between the Minister of Employment and Immigration in Ottawa and the Minister of Colleges and Universities in Ontario about some new skills training problems. It is my understanding, and I hope the minister will rise and speak to it when the opportunity presents itself to her, that the blockage to some advances, some changes, rests right here in Ontario, because of differences in political points of view: who is going to get credit, who is going to do this or who is going to do that. If that is the case, I ask the minister, if she wants to speak to this, to please do so at the appropriate time.

The point is that this cannot be allowed to happen. Frankly, I do not care who gets the credit. It is not important to me, and I do not think it is important to the 8.5 million people of this province. I do not think it is important to the 160,000 or 170,000 young people in this province between the ages of 15 and 24 who are out of work. I do not think it is important to the other 200,000 out-of-work people in this province over the age of 25. All they want is jobs. They want the opportunity to be trained for the jobs that are going to be needed in this province.

We know right now—the automotive industry is telling us and the United Auto Workers are telling us—that many of the people who have been laid off from those automotive plants are not going to go back to those jobs, because those jobs will not be there.

Picking up the theme that the minister himself read just a few minutes ago, if we are going to be competitive on the world market or, my God, even if we are going to be competitive in the domestic market, we are going to have to



change the structure of that industry. The minister or his predecessor has already set up the technology centre in Peterborough to do the research in some of the advanced design and the whole question of robotics, if I have got the right place and the right technology centre. It is a clear indication that the minister and his government know that is one of the waves of the future. We know when we look at Japan particularly and some of the European jurisdictions that if we are going to compete with them, we have to compete with them on their level.

What are we doing about training people for that? Who is going to design these machines? Who is going to build them? Who is going to maintain them? Who is going to program them when they are in operation? Where are those people coming from? The minister himself spoke in his report about the CAD/CAM centre in Cambridge, immediately south of my riding, the centre for computer-aided design and computer-aided manufacturing.

**Mr. Boudria:** The next Liberal riding.

**Mr. Sweeney:** That's a Tory riding.

**Mr. Boudria:** Until the next election.

**Mr. Sweeney:** Until the next election; that's right. It is a one-stop stand over there.

Anyway, at Conestoga College, which is in my riding, the number of openings for job training is severely limited. I have had many phone calls and letters from young men and young women wanting to get into that program. There is another one in Mohawk College in Hamilton, if I am not mistaken, and it is the same thing there: they cannot get in.

I spoke a few minutes ago about co-ordination and co-operation among this ministry, the Ministry of Colleges and Universities and the Ministry of Labour. This is a classic example of where it is going to have to be done. Otherwise, all the wonderful possibilities, the potential in this legislation, will not be achieved.

If we are going to have computer-assisted

design and computer-assisted manufacturing, we are going to have to have bright young people who are trained to design, trained to operate, trained to maintain and trained to program these machines. I have this awful, sinking, heart-rending feeling that we are going to face the same problem we faced with the nuclear generating plants. That is one of the reasons I brought that point up, not that it has anything directly to do with this minister.

We want to be sure that we have enough people to manage it when it comes on stream. I can hear the byplay between this minister and the Minister of Colleges and Universities. I hope I am wrong. I honestly hope my prediction is wrong. I do not want that to happen. I do not want it to happen, because I am having difficulty right now—as the minister knows, I am heading up a task force, going around this province—talking to young people who are out of work. I want to tell the minister it is a heart-rending experience to talk to these young people and to try to answer their questions when they say: "We want to work. We don't want to be on welfare. We don't want to collect unemployment insurance. We want to work. We want to have some pride. We want to have some dignity."

Then they look at these kinds of experiences. They look at the announcement that we in Ontario are bringing in these thousands of skilled people from other jurisdictions. We have to respond to them.

I guess the appropriate response is that I move the adjournment of the debate.

On motion by Mr. Sweeney, the debate was adjourned.

**Hon. Mr. Wells:** Before moving the adjournment of the House, I just want to indicate that we are going to continue with Bill 38 tomorrow afternoon and evening.

The House adjourned at 6 p.m.

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No. 40

Ontario LEGISLATIVE ASSEMBLY

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, May 4, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, May 4, 1982

The House met at 2 p.m.

Prayers.

## ACCESS TO INFORMATION

**Mr. Speaker:** On Friday last, several members raised what they considered were matters of privilege, and there have been so many of these instances recently that I have agreed to make a statement on what constitutes privilege.

I feel that I should once again direct the attention of the House to the definition of privilege contained in standing order 18(a):

"Privileges are the rights enjoyed by the House collectively and by the members of the House individually conferred by the Legislative Assembly Act and other statutes, or by practice, precedent, usage and custom."

I also direct the members' attention to the definition of privilege contained on page 67 of the 19th edition of May's Parliamentary Practice, which reads as follows:

"Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals." The last four words of that are the most important part.

These definitions make it clear that to be a matter of privilege it must pertain to one of those special rights which the ordinary citizen does not enjoy.

I will now refer briefly to some of the specific instances raised.

On April 22, the member for Ottawa East (Mr. Roy) referred to a directive which he stated had been circulated by the Ministry of Health to the effect that local or district councils are prohibited from making representations to or speaking with opposition members. I have no way of knowing whether or not the members did have a special privilege to confer with the health councils which other bodies or individuals did not have. If not, complaints should, of course, be directed to the ministry.

On Friday, April 30, the member for Oshawa (Mr. Breagh) and several others complained about the difficulty of obtaining information

from the various ministries. The only standing orders that deal with members' obtaining information from the ministry are those dealing with oral and written questions and notices of motion for returns. I know that members very often telephone directly to a ministry, asking for certain information, but unless it can be established that the members have a special right or privilege to use this procedure which the general public does not have, then it does not concern the House and is not a matter of privilege as above defined. It is rather, as I suggested last Friday, a matter between the member and the ministry.

I must again remind the House that the Speaker's only prerogative with respect to alleged matters of privilege is to determine whether or not a *prima facie* case of privilege has been made out. The Speaker is not required, nor has he the right, to "look into the situation very deeply and to make a ruling on the rights of members of this Legislature to meet and talk to people who are purportedly members of the public appointed to do a specific job," as the member for Oshawa requested me to do on Thursday, April 22. If a *prima facie* case of privilege is made out, then, as I have stated many times, it is up to the House to deal with it in the proper manner.

**Mr. Breagh:** Mr. Speaker, I appreciate your statement on the matter today. In making that statement you have raised some very legitimate points and heightened my concerns. In portions of your statement you clearly established that the members have, as part of privilege, the right to get certain kinds of information and to do things the public at large cannot do. I am thinking particularly of the traditional right to visit provincially operated institutions and the right to talk to senior civil servants and others employed by the ministry to get information which is part and parcel of the work they do in this Legislature.

I am somewhat concerned if that is to be the end of the process, and I wonder whether you would give some consideration to this matter being forwarded to the standing committee on procedural affairs. To my knowledge, we have only precedent and tradition, and some matters covered under the standing orders and some



matters under the Legislative Assembly Act, to rely upon. I wonder whether it would be useful to have this matter clarified by an investigation conducted by the procedural affairs committee.

I am reluctant to try to put before you what you refer to as a *prima facie* case. It seems to me it would be an extraordinary piece of business for me to name a particular senior civil servant or junior civil servant who refused me information. It is not my intention to persecute one individual in a ministry but rather to provide the members of this Legislative Assembly with what they traditionally have had: the right to ask questions, the right to poke and probe and the right to find out exactly what is going on.

I ask you to give some consideration to forwarding this matter to the standing committee on procedural affairs to put on its agenda so we may have further consideration of it.

**2:10 p.m.**

**Mr. Renwick:** Mr. Speaker, I understand the difficult position the Speaker of the assembly is placed in. It is not often I rise in support of a matter of privilege raised by a member of the official opposition to the government but, if I understood you correctly, you said you would have no way of knowing whether the health centres have been under some form of intimidation by a ministry of the government as to whether they could meet with members of the opposition.

I do not want to repeat myself.

**Mr. Speaker:** Proceed.

**Mr. Renwick:** I know you have a capacity for listening with both ears, Mr. Speaker.

I simply want to refer to the statement you made that you would have no way of knowing whether members of a health unit were prohibited by some directive of the Ministry of Health from talking with members of the opposition about health matters. While it may be that May, in the 19th edition, has indicated matters of privilege are related to privileges we have as members of the assembly in excess of what ordinary members have, I suggest the rules should also be read to mean we have no less than the rights of ordinary citizens to have representations made to us by people without intimidation.

I respectfully request that you support the suggestion made by my friend the member for Oshawa that each and every one of these matters be referred to the committee of the assembly which deals with these matters, because it is no longer adequate that we, as members of

the opposition, should find that members of the public serving on boards appointed by the government, or having some connection with the government, should feel under any inhibition about meeting with us on matters of public concern.

**Mr. Epp:** Mr. Speaker, you will recall that when this matter was raised by the member for Oshawa the other day, I spoke on the matter of privilege. At that time, I raised a particular point with respect to some of the answers I had received. You will recall the Minister of Revenue (Mr. Ashe) indicated at that time that if we wanted to get full, complete and responsible answers to our questions, we should put questions on the Order Paper, or we could ask questions in the House.

With respect to questions being put on the Order Paper, on April 14 I put a question on the Order Paper asking for information about assessment cases in the city of Toronto. An answer came back to me. That answer, as I saw it, was not very complete. Yet last Thursday, when we tried to clarify this matter of getting full answers, the Minister of Revenue indicated all we had to do was put the question on the Order Paper.

If the minister says to this House he is prepared to give full and responsible answers to our questions if we put them on the Order Paper, what are we to do when he does not follow through with that, as evidenced by his answer to me, dated April 14? That is apparently when I got the answer to my original question. We wanted to find out how many assessors were being sent to Toronto and how much it was costing the ministry. He did not give me any of that information. He gave me a bunch of gobbledegook. What are we to do when he does not give us these complete answers? He is inadvertently misleading the House by saying he will give us the answers.

**Mr. Speaker:** We are talking about two separate and distinct issues. I am not trying to suggest yours is not important but, with all respect, it is not a matter of privilege.

**Mr. Epp:** It is relevant because it was raised as a—

**Mr. Speaker:** It is somewhat different. I would like to take this matter under consideration, rather than listening with one ear only and trying to receive advice at the same time. I would like to take perhaps a few days to look it

up and give a ruling on it probably early next week, if I may.

Getting back to—

**Mr. Nixon:** The real world.

**Mr. Speaker:** The real world, indeed.

#### VISITOR

**Mr. Speaker:** I ask all members of the Legislature to join with me in welcoming and recognizing in the Speaker's gallery, Dr. Ritchie Haynes, member and finance critic of the opposition party of Barbados.

### STATEMENTS BY THE MINISTRY

#### GO TRANSIT SERVICES

**Hon. Mr. Snow:** Mr. Speaker, today I would like to address GO Transit operational plans, current and long-range, including reference to the planned extension of commuter rail service into the Oshawa region.

To begin with, I received a letter from GO Transit chairman Lou Parsons, in which he outlined his views following staff assessment of the CN's GO train service extension study.

In a nutshell, CN has told GO that Ontario will have to pay out almost \$40 million for a new rail line—grading, signal plant, structural modifications and station platforms—before GO can move trains the 17 kilometres between Pickering and the city of Oshawa. Those costs do not include the dollars required for locomotives, rolling stock, stations or parking lots, which will bring the total to \$75 million. Even that amount is not the final figure because, if we add in electrification, we are talking about approximately \$114 million.

Mr. Parsons also points out that this vast sum of provincial dollars will allow GO to run only five round-trip trains daily, while CN will continue to own and control their system.

It seems to me, as Mr. Parsons states, the Ontario taxpayers would be buying nothing more than a short-term solution to solve a major problem which will not go away: the ever-increasing demand for commuter rail services. It is a double-barrelled problem because, besides that demand, we are locked into CN, which dictates the level of services because it must control the system.

Allow me to spell out what I mean by increased demand. Ten years ago, some 4,000 people used the eastern run of the Lakeshore line. Today, the count is roughly 15,000. My ministry's planners are convinced that within the foreseeable future, that figure will be closer

to 50,000. In GO Transit's first year of operation, we carried some two million passengers. I expect this year we will carry 22 million passengers.

Currently, GO is experiencing capacity problems, particularly during peak periods when some trains are now carrying up to one third more passengers than they have seats. There are, of course, short-term measures currently being taken to alleviate this situation, but they are scarcely more than stopgap solutions which will do no more than temporarily slow up the onset of complete stagnation.

These measures include acquisition of some 71 additional bilevel coaches, allowing rush-hour trains to be expanded to their full potential capacity. This, in turn, will only add to another problem GO is currently facing: overcrowding when the five trains arrive at Union Station from the west Lakeshore route in a one-hour period during the morning rush.

Even if GO is successful and gets permission to run maximum-length trains of bilevels, for example, plus an extra train, we are talking about only another 2,600 seats, which is hardly the number we require to provide for the kind of service commuters are demanding.

Still, we are working with CN, attempting to add additional rush-hour trains and to lengthen them. These are only short-term options. As members can see, they offer no more than temporary relief for the situation we face. In short, they barely address the short-term demand, let alone what may be expected in the medium to long term.

#### 2:20 p.m.

What does that control of the CN system or plant mean to GO and, ultimately, the Ontario government? Even if one ignores the fact that CN determines the ultimate service level, the Ontario government pays the full operational bill and owns nothing.

For example, in the 15 years that GO has been in the business of moving commuters by rail it has paid, in equivalent 1982 dollars, \$111.7 million to CN and the Toronto Terminal Railway, plus another \$41.1 million to CP, to provide plant improvements to accommodate the service as it stands today. For that money, Ontario owns no part of the right-of-way infrastructure, meaning in the end that we have no guarantee of service increases, for it is the railway which must determine when the trains can be run and how many.

I would like to add that it should be obvious to everyone that we have reached a point in time



when we must in all fiscal honesty look at alternatives. If it is going to cost us a minimum of \$75 million merely to provide GO commuter rail service between Pickering and Oshawa without trying to determine the cost of longterm or even short-term solutions, then there must be another way to go.

So far, I have addressed only the Oshawa study and those costs involved in any eastward extension. There is also the matter of extension of service to the Burlington and Hamilton area. From the costs developed for the expansion to Oshawa, we can only assume the dollars necessary for GO to expand westerly would be proportionately high.

This government has pulled together a mass of information. We are currently studying total electrification. CN Rail has spelled out the costs of an approach for the Oshawa extension, all of which we are analysing and all of which, in turn, insist we consider long-term solutions, be they some form of higher-capacity transit system, buses, elevated rights of way or whatever.

I realize only too well, as does Mr. Parsons, that the residents of the Oshawa region are anxious to receive positive news that GO service will be extended to their area. With this in mind, I have requested my ministry officials and senior GO management to examine all alternatives, bearing in mind the cost-benefit ratios I have outlined, and report back to me within 90 days, if not sooner, outlining the recommended course of action we should take.

This afternoon I wish to table the Oshawa GO train CN study, as well as copies of Mr. Parson's letter, which I received last week.

**Mr. Speaker:** Before proceeding, there seems to be a very high level of noise caused by private conversations. It is very difficult to hear what the ministers or anybody else is saying.

Interjections.

**Mr. Speaker:** That is a prime example. I would ask the co-operation of all members in limiting their private conversations.

Interjections.

**Mr. Speaker:** Order.

**Mr. Breagh:** On a point of privilege, Mr. Speaker: It was my understanding that this minister was reported in the Oshawa Times as saying he was recommending to the cabinet that the GO train to Oshawa be approved. Did he lie to the Oshawa Times, or is he lying to us?

**Mr. Speaker:** First, that is completely out of order. It is not a matter of privilege. I am not sure whether that suggestion was proper. Per-

haps you would like to withdraw the implication or reword it.

**Mr. Breagh:** I simply asked the question. If the words are offensive, I will withdraw them, but the intent will remain the same.

**Mr. Speaker:** I am not sure whether that changes anything. I am glad to hear that you are withdrawing the words. You may more properly ask the question during the proper time.

The Minister of the Environment.

## CHEMICAL SPILL

**Mr. Kerrio:** Clean up your act.

**Hon. Mr. Norton:** It is your act I am going to clean up.

Mr. Speaker, in view of the high level of interest of a number of members of the Legislature in the recent incident in the Junction triangle, I would like at this time to bring to the attention of the House the results of my ministry's investigation into the discharge of chemicals to the city of Toronto sewers in that area.

**Mr. Martel:** Stop mumbling and speak up.

**Mr. Speaker:** Order. We are having a great deal of difficulty in hearing and understanding what the Minister of the Environment is saying. I once again ask the members to limit their private conversations or to carry them on elsewhere.

**Mr. Martel:** Tell him to take the marbles out of his mouth.

**Hon. Mr. Norton:** I shall try to articulate, Mr. Speaker.

My ministry's staff have now completed the investigation and on my instructions have today laid charges against Nacan Products Ltd. of Wallace Avenue.

The company is being charged with four infractions under the Environmental Protection Act and regulations: under the Environmental Protection Act, clause 13(1)(c), namely, discharging a contaminant likely to cause harm or material discomfort to persons; under the Environmental Protection Act, clause 14(1)(c), namely, discharging a contaminant out of the normal course of events that is likely to cause harm or material discomfort to persons without forthwith notifying the ministry; under regulation 308, section 13, namely, handling a substance so that an air contaminant is released; and under regulation 308, section 6(b), causing or permitting the emission of an air contaminant that may cause loss of enjoyment of normal use of property.

I am advised that these charges are returnable

in the provincial offences court at old city hall in Toronto, on June 2.

## ORAL QUESTIONS

### ONTARIO ENERGY INVESTMENT

**Mr. Peterson:** Mr. Speaker, I have a question for my friend the Treasurer, the man responsible for the public purse and the gentleman who is threatening to raise taxes next week.

I am sure the Treasurer was very distressed to read in the *Globe and Mail* this morning about the potential squandering of \$300 million or more of the public Treasury on a purchase, the valuation of which they had a different opinion about. He will recall his statement of October 15, 1981: "On the basis of whether the deal was a good purchase, the answer is unquestionably yes. The price paid by the province, the viability of the company, all those things stood rigorous and rigid examination."

In the light of those reports today, what possible justification can the Treasurer have or how can he continue to assert that the price paid underwent rigorous and rigid examination?

**Hon. F. S. Miller:** Mr. Speaker, I am as convinced today as I was on October 15 that the analysis made on behalf of Ontario by very competent people using the criteria of the day was accurate.

**Mr. Peterson:** The Treasurer has faith now, even though he did not have it then; so I can understand why his opinion has not changed.

Because of the very serious nature of that charge in the newspaper this morning, and it appears to be independently substantiated, does the Treasurer not feel that he would want to bring those documents forward so there can be a public scrutiny to make sure the taxpayers did get value for that expenditure?

**Hon. F. S. Miller:** I have no idea who the *Globe and Mail* used for the analysis, I have no idea just how they did it, but I think it is very easy to sit with incomplete information and come up with incomplete answers.

**Mr. Foulds:** Mr. Speaker, in view of the Treasurer's answer, will he not use his obvious authority within cabinet to release to the public the full information the government of Ontario had when it made the purchase? In particular, will he not seek the release of the confidentiality agreement with Sun Oil and release the full contents of the McLeod Young Weir study?

**Hon. F. S. Miller:** Mr. Speaker, the honourable member will recall that the requirement for

confidentiality for certain information was that of the vendor. We have requested the right to release that information and it is my information that permission has been denied.

2:30 p.m.

**Mr. Roy:** Mr. Speaker, given that in the past when the Treasurer has had criticism from this side he has called it just political comment, he can hardly accuse the *Globe and Mail* of being supporters of the Liberal Party. Given the objective assessment—

Interjections

**Mr. Roy:** Mr. Speaker, are you going to rule these people under control or not?

**Mr. Speaker:** I am waiting patiently for the supplementary.

**Mr. Roy:** Given that the *Globe and Mail* have at times been supportive of the people on that side of the House, I would like to ask the Treasurer if he does not feel, given his original position on this deal, somewhat vindicated by the assessment of the experts as stated in the *Globe and Mail*? Given this situation, has he asked for the resignation of the Minister of Energy (Mr. Welch)? Why does he not tender his own resignation, given that as Treasurer, he has so little weight in cabinet?

**Hon. F. S. Miller:** First, I would suggest that if one referred to people and entities like the *Globe and Mail* which had at some time supported this party, the member would have to virtually include everybody in Ontario because at one time or another almost everybody has been known to be right on occasion. As to my weight in cabinet, jogging and a diet have kept it down.

**Mr. Peterson:** Mr. Speaker, I will address this question to the Minister of Energy. The Premier stated in the House on December 4, 1981: "I am sure that information, if, in fact, it becomes available, will convince the member to be more enthusiastic than he has been in the past about this acquisition." As the facts unfold and become more readily accessible to those of us who do not have immediate access, we become increasingly unenthusiastic about this terrible mistake the government has made. Why will he not, as the minister responsible, turn that information over to this House so that we can at least scrutinize it, particularly in view of this serious charge that was levelled against his competence today?

**Hon. Mr. Welch:** Mr. Speaker, perhaps we should take advantage of this situation to remind



the Leader of the Opposition, and indeed all members of the House, what has been tabled already, which is a considerable amount of information. Included in that information there happened to be two letters, copies of which I have here and which, no doubt, the Leader of the Opposition has read carefully over the lunch hour today.

One of the letters is signed by McLeod Young Weir Ltd. and is dated October 13. The other, of the same date, is signed by Price Waterhouse. I will not take up the time of the question period to read all of the answers there, but both letters were from real, live, breathing, unafraid-to-be-identified financial analysts. They are right here and they are on the record with respect to this matter. We will name some other real, live, breathing, unafraid-to-be-named financial analysts before we are finished this afternoon.

McLeod Young Weir Ltd. tell us in their letter—there it is on the record for all to read—with respect to the valuations what their recommendation would be with respect to the range. Price Waterhouse do the same thing. In addition to that, we have all sorts of other analysts who are prepared to be identified with this.

**Mr. Roy:** All on your payroll probably.

**Hon. Mr. Welch:** All on our payroll? Then let us listen to who they are: Richard Hallisey, an analyst with First Marathon Securities; John Stevens, an analyst with Brown Baldwin and Nisker Ltd.; Denis Mote, an oil analyst with Bache Halsey Stuart Canada Ltd. Indeed, it was not too long ago that something was drawn to my attention by a very enthusiastic supporter of this transaction.

The article goes on to talk about Ontario—

**Mr. Sargent:** Who got the payoff?

**Hon. Mr. Welch:** Someone told me the member was just back from Japan and that he would be in better humour now in view of his visit over there.

**Mr. Sargent:** What the hell has that got to do with it?

**Hon. Mr. Welch:** About as much as the member's interjections have to do with this particular question.

**Mr. Speaker:** Order.

**Hon. Mr. Welch:** I might just consult my notes so that I do not misquote the individual. A man by the name of Kurt Wuiff, a United States financial analyst with Donaldson, Lufkin and Jenrette Incorporated of New York City, has

studied both Suncor and its parent for years. He has followed Suncor's progress and it was he who said, which has been quoted in one of Ontario's great daily newspapers, that the province "paid about 80 per cent of what we and others thought the assets were worth."

We have named a few experts. The Leader of the Opposition perhaps would accept this challenge: Produce the name and address of a real, live, breathing, unafraid financial analyst who will sign some documents, who will take exception to the price. The honourable members opposite are all full of wind. Let us get something on record.

**Mr. Ruston:** You hypocrite.

**Mr. Speaker:** Order. I would remind all honourable members that the Leader of the Opposition has two mandatory questions, not the opposition party. I recognize the honourable Leader of the Opposition with a supplementary.

**Mr. Martel:** Mr. Speaker, it is funny how you chastise the opposition but let the Premier get away with murder.

**Mr. Speaker:** I am not chastising anybody; I am just pointing out a fact of life.

**Mr. Martel:** He plays the same old game. You should have been here yesterday.

**Mr. Speaker:** Order. I did not hear anybody on this side other than the Minister of Energy trying to make his voice heard.

**Mr. Peterson:** Mr. Speaker, the minister reminds me of the Anglican minister who writes beside his text, "Yell like hell, point weak," and that is what happened. I will give the minister a long list of respectable companies that marshal resources wisely that would not touch that company with a 10-foot pole and he knows it. Brascan, Noranda and all of them know how stupid the minister is, but he just will not admit it.

If his opinions are so good, I ask him right now to table them in this House. Bring the opinion of Price Waterhouse and bring the opinion of McLeod Young Weir. McLeod Young Weir are his flunkies, his financial agents. They are all involved in a big pen together, justifying each other's actions. We need independent scrutiny and the minister will not allow it. He is in a squeeze and he is still embarrassed about it.

**Hon. Mr. Welch:** I bet the honourable Leader of the Opposition has not read 25 per cent of the material that was tabled. I have named and actually given him the names of the firms of

financial analysts that have commented on this deal and have found it a good purchase. It is all there to read, including the McLeod Young Weir and Price Waterhouse statements. I now challenge him to produce the name of one analyst—not as many as I have done—one opinion signed by that analyst that would contradict these opinions. I am waiting for him to respond to this. He is all talk. How about some action now?

**Mr. Foulds:** Mr. Speaker, could I ask the minister to shed some light instead of some heat on the matter? Could he tell this House what justification he has for withholding from the investors the full information that is contained in the McLeod Young Weir study? Why will he not make that fully available to this House and to the public of Ontario at this time?

2:40 p.m.

**Hon. Mr. Welch:** Mr. Speaker, the remarkable thing about the party led by the deputy leader, in conjunction with others, is that I do not know what he has against Canadianization of the oil industry of this country. What does he have against it? His is the party whose basic criticism was we had not gone far enough. Now he is standing up here trying to play both sides, which is pretty typical of the way he interprets these issues. What does he have against this process of Canadianization anyway? Why is he standing in his place asking us to violate an agreement? It was absolutely essential and he knows that.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Welch:** The deputy leader of the third party knows very well it is part of established commercial practice that if we wanted to obtain the type of advice we required to satisfy ourselves with respect to the purchase price, our advisers had to have access to a lot of information, a great deal of which was part of the commercial operation. Before our advisers could have access to that information, they were obliged to sign a confidentiality agreement. That has all been told and the agreement has been tabled here at his request for the honourable member to read.

When the deal was closed in December, on my instructions we asked the parent company and Suncor if we could now release that particular information. We have been advised by Sun Oil that it would not waive the terms of the confidentiality agreement. The Treasurer (Mr. F. S. Miller) shared that information with the

member in a supplementary to that question. However, I point out that there is plenty of information on the table. We have responded, as the honourable member knows. The advisers attended his caucus as they did the caucus of the official opposition.

**Mr. T. P. Reid:** The minister didn't tell us about the \$78 million in dividends. That was deceitful. He misled all of us in this House.

**Mr. Speaker:** Order.

**Mr. T. P. Reid:** He had an obligation to tell us about the \$78 million in dividends.

**Mr. Speaker:** Order.

**Mr. T. P. Reid:** He knew about the \$78 million and he never said a word.

Interjections.

**Mr. Speaker:** Order. I am sure the member for Rainy River will get an opportunity to ask a question.

**Mr. T. P. Reid:** Not soon enough.

**Mr. Speaker:** The Minister of Energy was responding to a question from the member for Port Arthur.

**Mr. Foulds:** On a point of order, Mr. Speaker. He was evading the answer.

**Mr. Speaker:** Order. We will get on with a final supplementary from the Leader of the Opposition.

**Mr. Peterson:** Mr. Speaker, most ministers accused of squandering \$300 million or more would at least have some response rather than just yelling back with all this foolishness.

It is common knowledge that most people in his party disagree with what he has done, that the Premier, the minister himself and the Treasurer are under assault every single day. His own backbenchers are mad at the stupidity of his decision.

**Mr. Speaker:** And now for the supplementary, please.

**Mr. Peterson:** Why does the minister not try to salvage the tattered remains of his reputation by at least making it public and letting us have a discussion about this issue where it belongs, in this forum of the Legislature?

**Hon. Mr. Welch:** All of the information that has been available has not stood in the honourable member's way of jumping to some conclusions about the deal, nor did it seem to interfere with the article to which reference has been made today. They seem to have had plenty of information upon which to build their speculation.



I might point out the only reference I saw of some particular company was a reference to some Richardson report. Indeed, I thought it might be interesting to take a look at the cover of that Richardson report which cautioned anyone who was going to use that report because it had to do with the proposed amalgamation of Great Canadian Oil Sands Ltd. and Sun Oil Co. Ltd. It is a report dated 1979.

May I be permitted to remind the members what was said in that report? It said: "The boards of directors of Great Canadian Oil Sands Ltd. and Sun Oil Co. wish to emphasize that the valuation reports and supplements thereto were prepared and utilized for the exclusive purpose of assisting in the determination of the appropriate terms of the amalgamation and may be inappropriate as a basis for estimating the future values or market prices of the amalgamated corporation's shares or for making future investment decisions respecting such shares. That is right on the cover of this so-called report and is very important.

I would also point out to the member that, notwithstanding the volume of the first answer, I did give him the names of at least six reputable individuals and/or firms that gave us pretty good advice with respect to it. I would repeat, let him give me one, just one live, breathing analyst who will fact take exception to the advice that we have.

Interjections.

**Mr. Speaker:** Order. It is now the opportunity for the New Democratic Party to ask questions.

**Mr. Foulds:** Mr. Speaker, I would like to raise a point with the Premier. Since there are still many unanswered questions surrounding the government's acquisition of Suncor, and since the decision seems to have been taken by the Premier and the Minister of Energy in isolation, will he now order a full public inquiry or royal commission into the acquisition of Suncor by this government so that the taxpayers of this province can find out whether or not this government has misused and misspent \$300 million of their money, as alleged in the press this morning?

**Hon. Mr. Davis:** Mr. Speaker, I read the story. I am not sure I would describe it as an allegation. I am the last one to appear to explain a journalistic approach, but I would not describe it as an allegation. The member can use that term if he wishes.

Am I prepared to appoint a royal commission? The answer is no.

**Mr. Foulds:** In view of the long history of things that have gone wrong with Suncor, which have plagued the Premier, his government and this province since it was announced—specifically that he has no influence over the corporate policy since he has learned that the decisions are still made in the US; that the dividends and the control still flow to the US; that there are health and safety violations; that the parent company gives no indication of co-operating with the government as a minor investor in revealing the full terms of the agreement in the first place—how can the Premier continue to refuse to the public and the members of this Legislature the full information to which they are entitled? Why will he not open his decision to the public light of a full royal commission and inquiry? What is he afraid of?

**Hon. Mr. Davis:** I have no intention of establishing a royal commission. I have said on other occasions in this House that we are anxious to give as much information as we can according to the agreements that were executed with respect to confidentiality.

It is intriguing that this debate today, or this question period, has been stimulated by a somewhat speculative article written in the *Globe and Mail* this morning.

Interjections.

**Hon. Mr. Davis:** Just let me finish. I can only say to the member who is interjecting that all of these calls for further disclosure—and he has had most of the information—apparently did not inhibit the *Globe and Mail* from retaining somebody or perhaps having it done internally on the basis of existing information.

I can assure the member that if he has specific questions that are not part of any confidentiality agreement, the Minister of Energy will be only too delighted to share this information with him.

I would say to the acting leader of the New Democratic Party that I find it somewhat inconsistent to find his party philosophically in support of Canadianization of the oil industry—in fact, they would say nationalization, as distinct from Canadianization—when it was stated that part of the objective was to achieve the 51 per cent ownership, with the province at 25 per cent and some other source or sources for the other 26 per cent. I would say to the member that we have been participants in this company now for January, February, March, April and a part of May, four months.

2:50 p.m.

There is no question that the company had some difficulty with respect to its main production facility in Alberta. There is no question either that this had an impact upon earnings. If he looks at part of their report, the member will find that with the exception of one—probably Petro-Canada—Suncor had an increase in retail sales of some four per cent, which is about seven per cent higher than the industry average. That too has to be put into the mix.

The member should be sharing our delight at the increasing penetration of Suncor into the market. I can assure him that we are anxious to make available anything that we can with respect to the agreement we executed.

**Mr. Sargent:** Mr. Speaker, does it not strike the Premier as strange that the chairman of a crown corporation, Mr. Kierans, along with the Premier, set up the deal and that now when the deal is already cooked he becomes the president of McLeod Young Weir? Could the Premier tell where the payoff was because there was a \$6 million commission sitting there that was refused. Can he answer that straightforwardly and quit the stickhandling.

**Hon. Mr. Davis:** Mr. Speaker, I would just ask the leader of the Liberal Party of Ontario if the member for Grey-Bruce is asking that question on behalf of the Liberal Party and if he is supporting the tenor and the nature of that question?

**Mr. Sargent:** Why in the hell can he not answer the question?

**Mr. Speaker:** Order. Read the standing orders and you will know.

**Mr. Foulds:** Mr. Speaker, as it is obvious that the Premier will not offer his own resignation over this mismanagement of public funds nor ask for that of the Minister of Energy (Mr. Welch) or the president of the Ontario Energy Corporation, who was so instrumental in developing the deal and is now keeping it secret, will he at least allow a free vote in the House about a public inquiry into the deal?

**Hon. Mr. Davis:** Mr. Speaker, I know just how democratic the member's party is in terms of structure and organization and just how many free votes it has within its caucus to determine whatever decisions it makes. Knowing the history and traditions of his party, I would say that this party is far more democratic than his party will ever be in terms of the connotations made.

I would say to the acting leader of the New Democratic Party, or the leader of the New Democratic Party who is acting, whichever

terminology it happens to be on any given day, that I have already answered. There is no need for a royal commission. We are quite prepared to debate the issue in this House, but to suggest the latter, the answer is no.

Interjections.

**Mr. Speaker:** Order, please.

### EXTRA BILLING

**Mr. Foulds:** Mr. Speaker, I have another question for the Premier in the absence of the Minister of Health (Mr. Grossman).

Interjections.

**Mr. Speaker:** When you are through with your conversation, I will recognize the honourable member for Port Arthur.

**Mr. Foulds:** Does the Premier support the strong position taken by the Minister of Health yesterday with regard to extra billing by the Ontario Medical Association in view of the agreement signed between the government and the OMA in that the OMA schedule and the OMA as a matter of policy still recommends that for operations the doctors in the OMA charge above the OHIP schedule? For example, for a mastectomy they recommend that they charge about \$135 more than the present OHIP schedule; for an appendectomy, \$68.60 more than the present schedule; for a hiatus hernia, \$149.80 more than the present schedule; and for a cataract operation, \$124.80 more than the present schedule. Does the Premier consider that acceptable for the patients of Ontario in view of the rich agreement the minister signed with the medical profession?

**Hon. Mr. Davis:** Mr. Speaker, I just heard from a very distinguished neurosurgeon that if the member was seeking a lobotomy within the OHIP fee schedule, he would be prepared to perform it for him. I do not know what that means. I just thought I would pass it on.

To answer the question very simply, the agreement has not been signed. It has not been ratified by the council of the OMA.

**Mr. Foulds:** I might point out to the Premier that for the majority of the members of cabinet, in terms of that offer by the neurosurgeon, the member for York East (Mr. Elgie), it would not make a speck of difference whether he carried out the operation on them or not.

May I ask the Premier, in view of his answer, whether he expects the OMA to ratify the agreement, and if he does, whether he feels the agreement, which means that in those operations I outlined the OHIP fee would cover less



than the fee recommended by the OMA by about one per cent in each case, is acceptable in this day and age to the people of Ontario? Is it acceptable to his government that in the 1982 situation OHIP will only pay 69 per cent, as opposed to 70 per cent, in all cases for those operations I outlined?

**Hon. Mr. Davis:** Mr. Speaker, I had some difficulty in following the logic of the latter part of the honourable member's question. I am not being facetious or critical. I really did have some difficulty.

If he is asking me in the first part of the question if I expect the OMA to sign the agreement, I sincerely hope it does. I would like to think so. I cannot guarantee it, but I think the minister and those who are involved in the executive committee feel it will be ratified. That is the best help I can give.

**Mr. Foulds:** Will the Premier just give us a simple commitment to end extra billing in this province?

**Hon. Mr. Davis:** Mr. Speaker, I know the honourable member had that question answered by the Minister of Health (Mr. Grossman) and the answer has not changed.

#### FREEDOM OF INFORMATION

**Mr. Breithaupt:** Mr. Speaker, I have a question of the Provincial Secretary for Justice with respect to freedom of information. Since the Williams commission cost the government \$1.7 million and a freedom of information act based on its recommendations is long overdue, does the minister not agree that the arbitrary withholding of the evaluation of the Suncor purchase is exactly the kind of mischief that the report of the Williams commission was determined to end?

**Hon. Mr. Sterling:** Mr. Speaker, it is my understanding that under any freedom of information legislation, whether that suggested by the Williams commission or that in place in the United States or in any jurisdiction in the world I am aware of, this information would not be available.

**Mr. Breithaupt:** The minister is perhaps aware that today I am introducing a private member's bill on freedom of information and it would be covered in that legislation. Does the minister not agree with the Williams report that there should be disclosure where there is compelling public interest in favour of disclosure which outweighs any risk of commercial advantage to the submitter of the information?

Does he not agree the probable evidence, or at least the comment with respect to a possible waste of some \$300 million in taxpayers' funds, constitutes the kind of public interest in these reports that would compel appropriate and proper disclosure?

**Hon. Mr. Sterling:** I do not think this government would ever introduce a piece of legislation that would require the government to go contrary to an agreement it has made with another party, and it would not be the intention of our government ever to do that.

3 p.m.

#### AUTOMOBILE INDUSTRY

**Mr. Cooke:** Mr. Speaker, I have a question of the Minister of Industry and Trade. Is the minister aware of layoffs announced at General Motors today? Is he aware that 375 jobs in St. Catharines will be going to the United States and the starter motors and generator equipment will now be produced in the United States, and 170 jobs from Oshawa will be going to Mexico?

Is it not about time this government went on record and said that what we want and expect from the Japanese in terms of Canadian content is exactly what we have a right to expect from the Big Three in this country?

**Hon. Mr. Walker:** Mr. Speaker, I am aware of the layoffs in Oshawa and the layoffs that will occur in St. Catharines and it is most unfortunate. We are gratified that the rumour from last week has not turned out to be true. It would appear that the St. Catharines Welland Avenue plant will continue in operation. There were rumours at the end of last week that it might go and we are very pleased, indeed, at least that will continue.

We recognize the problems that exist in the industry. We recognize the problems that exist between the countries involved on this. We recognize there has been a general downturn in the car industry and we have to expect that from time to time there are going to be these layoffs. That is unfortunate but that is the nature of the industry.

**Mr. Swart:** Mr. Speaker, nobody but that minister could see a silver lining in what has just happened in St. Catharines when 250 jobs are going to the United States and are not going to return.

Specifically what representation did the minister make or will he make to General Motors to keep those jobs in St. Catharines and in this country, recognizing the serious unemployment

situation in the Niagara Peninsula and recognizing our tremendous imbalance in the automotive field?

**Hon. Mr. Walker:** Mr. Speaker, at least the member for St. Catharines (Mr. Bradley) was in touch with me at the end of last week to advise me of the rumours which were going around. I wish more people had been able to advise me earlier, but anyway we had people on to it as quickly as possible. People were talking to them. Indeed, our people are talking with General Motors today about this very aspect.

They have gleaned from General Motors this particular consideration: that they are now undertaking an economic feasibility study to find out what additional business will be available for those facilities, with the hope that while these are indefinite layoffs, at least at some point some of these people, if not all, will be able to return. We hope that is the case.

**Mr. Bradley:** Mr. Speaker, in assessing the problem which I and ministry officials brought to the minister's attention late last week, has he been able to determine to any degree at the present time whether General Motors in this specific instance, and certainly in a number of other instances, is living up to the terms of the auto pact?

Second, and related to that, does the minister have a concern that when General Motors keeps sending American-born, American-educated and American-trained presidents to Canada to head the Canadian operation, perhaps these people would not have the same degree of concern for Canadian operations as they would if perhaps they were Canadian-born, Canadian-educated and Canadian-trained individuals?

**Hon. Mr. Walker:** Mr. Speaker, in reply to the last part first, I would have to say that in the past most of the industries that are involved with sending in people from across the border have been good Canadian corporate citizens. With respect to General Motors, I would suspect it has had its share of good corporate citizens.

I do not think the member can castigate any of the United States officials who have come in. Indeed, sometimes they become somewhat more protective once they get into this country, but I am sure it varies from person to person. Generally speaking, we would have to say that to the extent we have foreign nationals who are directly responsible to our automobile industry and some parts of it, by and large they have been very strongly inclined towards a nationalistic

fervour in this country even though they come from a different country. Generally speaking they have been exemplary individuals who have been guests of ours in this country and who have worked here.

As to the terms of the auto pact, to a large extent we are satisfied the terms have been lived up to in many respects, but in this particular case we will be investigating this aspect more.

## ONTARIO ENERGY INVESTMENT

**Mr. Sweeney:** Mr. Speaker, I have a question of the Minister of Industry and Trade. In a speech the minister gave on March 16 of this year to the Canadian Chemical Producers' Association at the Toronto Club he said:

"When it comes time to carve the turkey, I sit back and watch my cabinet colleagues fight over who gets the left wing. Treasurer Frank Miller and I are more genteel. We take turns sharing the right wing."

Now you know what he thinks of you.

**Mr. Nixon:** A turkey would have two right wings—

Interjections.

**Mr. Speaker:** Question, please.

**Mr. Sweeney:** Mr. Speaker, given the clear right-wing philosophy of this minister and the desperate need for additional funding for business in Ontario, how could this minister possibly approve and share in the approval of the Suncor purchase?

**Hon. Mr. Walker:** Mr. Speaker, this cabinet supports that purchase.

**Mr. Sweeney:** Given the minister's answer that he supports it solely because of cabinet solidarity, may I ask him what he meant in the May 1982 edition of Ontario Business News? He said, with reference to helping business in Ontario, "That may mean taking on the federal government or other provincial ministries, which may be dicey, but I see my job as the advocate of business."

Why did this minister not strenuously oppose this purchase when he knew that the \$650 million—or perhaps more appropriately the \$300 million which we now realize has been wasted, could have been used in this province to assist business, which desperately needs it?

**Hon. Mr. Walker:** Mr. Speaker, I make no apology for being the advocate of business.

**Mr. Wildman:** Mr. Speaker, in view of the minister's attitude as shown in the May edition of Ontario Business News and his defence of his



government's buy-back policy, does he not agree that if the present rate of buying back continues it will take Ontario 400 years to buy back the Canadian economy?

**Hon. Mr. Walker:** Mr. Speaker, I do not think it is anticipated that all business that may be controlled by foreign nationals will be bought back even under the programs of this province.

#### OTTAWA BOARD OF EDUCATION

**Mr. Cassidy:** Mr. Speaker, I have a question for the Minister of Education and for the Minister of Municipal Affairs and Housing.

Interjections.

**Mr. Speaker:** Order, please. When everybody is through with private observations I will listen to the member for Ottawa Centre.

**Mr. Cassidy:** Mr. Speaker, my question is for the Minister of Education and the Minister of Municipal Affairs and Housing with regard to the request from the Ottawa Board of Education to alter its voting system for public school trustees from two wards with six trustees apiece to six wards with two trustees apiece.

In view of the fact that the Ottawa Board of Education made that request some six months ago and that it made a similar request as long as two years ago, will the ministers assure the House the necessary legislation will be brought before the House so that it may be passed to enable the Ottawa Board of Education to make the change in the ward system that is requested in time for the November municipal elections?

**Hon. Miss Stephenson:** Mr. Speaker, the question was addressed to two ministers but I will be pleased to respond. It is my understanding that the Minister of Municipal Affairs and Housing (Mr. Bennett) has been investigating this matter with some vigour and indeed is pursuing the matter right now.

3:10 p.m.

**Mr. Cassidy:** Mr. Speaker, since the Minister of Education has referred this to the Minister of Municipal Affairs and Housing, will that minister assure the House the Ottawa Board of Education will have the necessary legislation in time to have a change in the municipal elections in the fall? Will he also assure the House that since it would take three to four months for the Ontario Municipal Board to even consider a matter like this the OMB will not be used as a delaying tactic to prevent the Ottawa Board of Education from having a justifiable change?

**Hon. Mr. Bennett:** Mr. Speaker, I have had an

opportunity to speak with the member for Ottawa Centre in relation to this question and I indicated clearly that we are in the process of discussion between the Ministry of Education and my own ministry. At this time, we are also in the process of drafting the required amendments to the Ottawa-Carleton regional bill that would accommodate the request of the Ottawa Board of Education.

As to the process, I can only say that when the drafting of the legislation is completed it will be before this House for debate. If it meets with the approval of the House, it will then be enacted and the Ottawa Board of Education will have the right to operate within the amendment to the act.

#### ONTARIO ENERGY INVESTMENT

**Mr. T. P. Reid:** Mr. Speaker, I have a question of the Minister of Energy with regard to Suncor again. I know you have not forgotten, Mr. Speaker, that the whole point of Suncor is that we should not have bought it in the first place. There was no reason for Ontario to buy it.

The minister knew full well that Suncor had approached up to 15 other buyers, including Noranda Mines and Hiram Walker, prior to knocking on the government's door last fall. Given the impact of a world oil glut, the resulting drop in oil prices, prevailing high interest rates and the federal government's national energy program, can the minister explain to this House why a 15 per cent discount rate was used to calculate the final Suncor share price when a company like Noranda Mines, which was invited to become a partner in the deal, used a 20 per cent discount rate?

**Hon. Mr. Welch:** Mr. Speaker, I think the short answer is that we did not use a 15 per cent discount rate. It was around 17.8 per cent.

**Mr. T. P. Reid:** Why did the minister use that rather than the 20 per cent that I understand Hiram Walker and others were using?

When a prudent investor purchases a minority interest in a major company, the price paid per share is normally less than would be paid for a controlling interest. Even the minister would agree with that. In the light of previous statements by the Premier that the Ontario government does not seek control of Suncor, can the minister tell us whether or not minority discounts were considered prior to the purchase of the 25 per cent?

**Hon. Mr. Welch:** Among other matters that were discussed, that was explained quite fully

when the advisers to the Ontario Energy Corporation appeared before both opposition party caucuses. I am satisfied that all factors were taken into account by the advisers prior to making their recommendation as to value and we then came up with our decision.

There were some very unfortunate assumptions made in the member's preamble. The investment in this company becomes very relevant today when we think of the long-term energy security of this country. I am absolutely amazed that a person for whom I have a very high regard could actually suggest that because of this temporary strategy on the part of the oil cartel, he would be lulled into thinking it is still not important that this country get on with the job of being self-sufficient in oil. I want him to realize that we are just as committed to that now. That is still relevant, no matter how he waves his arms around.

Interjections.

**Mr. Mackenzie:** Mr. Speaker, rather than the shouting, I would like to say I was at that meeting in our caucus and I do not think we got all the information. I am sure any other minister who made a \$300-million error would have had to resign if there was any integrity in the front bench of his party.

Can we be assured that the person responsible for pushing this through the House or through the government caucus is going to resign over this error in judgement, whether it is the minister or the Premier?

**Hon. Mr. Welch:** Mr. Speaker, the member is the last person in this House who should make any reference to shouting. Perhaps when he has the opportunity, quietly over breakfast, he can read Hansard and realize there was a great deal of substance in the answers I shared with this House this afternoon.

**Mr. Mackenzie:** Bullroar.

**Hon. Mr. Welch:** I want to tell the member, bullroar or not—he may well want to think this over tomorrow—that there was no \$300 error, and I invite him to produce any proof from any responsible person who would suggest that we did not get good value. I issue that challenge to the member as well, regardless.

#### HUDAC WARRANTIES

**Mr. Philip:** Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Is he familiar with an advertising folder turned out by the Housing and Urban

Development Association of Canada called Understanding Your Warranty, which states—

Interjections.

**Mr. Speaker:** Order, please. I would remind the member for Rainy River that the member for Etobicoke did not interrupt him.

**Mr. Philip:** Is the Minister of Consumer and Commercial Relations familiar with that particular flyer on the HUDAC home warranty program? It says in part: "There is only a remote chance of your builder going bankrupt or of a major structural defect developing in your house. But should it happen, you are covered by the warranty program." Is he also familiar with the leaflet entitled, Five-Year Warranty on All New Homes in Ontario? This leaflet states: "The warranty you receive from the warranty program is valuable. If a builder goes bankrupt . . . you are covered."

In the light of this, what has he to say about the 10 families who bought homes in Vaughan township from the Coventry Group and who have been told by HUDAC that even though their homes have not been completed and there are major problems in those homes they are not covered by the HUDAC home warranty program because the builder has gone bankrupt?

**Hon. Mr. Elgie:** Mr. Speaker, one of the important points in the question is bankruptcy. Whether we like it or not—and none of us likes it—we do face a bankrupt firm here. But in reading the brochure, Five-Year Warranty on All New Homes in Ontario, I am surprised the member did not also read this particular statement—and I do not say this to be antagonistic; I just say it so that the record shows everything that is in that form—

Interjection.

**Hon. Mr. Elgie:** Well, if it isn't the member for Ottawa East (Mr. Roy). What day is it today?

Interjections.

**Mr. Speaker:** Order. The minister will please direct his attention to answering the question of the member for Etobicoke.

**Hon. Mr. Elgie:** Mr. Speaker, can I postpone the answer until Friday? Then I will not be troubled in this way.

**Mr. Speaker:** Proceed, please.

Interjection.

**Mr. Speaker:** Will the member for Ottawa East please resume his seat and let the minister continue.

**Hon. Mr. Elgie:** Mr. Speaker, just for the



member's information, on page 2 of the brochure it says, "The purchaser is responsible for the contractual arrangements with the builder, and before taking possession should ensure that everything has been completed and is satisfactory and in accordance with the agreement."

It is not that I cannot appreciate the disappointment that some people have, but let us recognize that there are a number of situations in the Coventry bankruptcy and there are a number of people in very unfortunate situations. Had they not had the protection of the warranty program—which by the way is the only one in Canada—then things would really be desperate for a great number of people. Let us understand that as well.

What we have now are two groups of people, those who have taken title but have made financial arrangements on their own and unrelated to the lender, who has put the company into bankruptcy, and those people who have taken title where the lender has withheld some money.

In situations where people have made a decision to take full possession of a house that has not been completed, presumably on the basis of legal advice, and have arranged their own financing, one does have to agree that it is a difficult situation. Fortunately, we are not talking about many houses.

We do, however know—at least, according to the information I have—that the subdivider, with or without the assistance of the receiver, will be making certain that the cleanup, sodding and things like that, are completed. But the new home warranty program deals with correction of deficiencies and not completion of contracts for which people have paid, have accepted delivery or have accepted title to on the promise of future delivery.

We now have a bankrupt company. I do not like it, the member does not like it, but I think we are at least fortunate to have a program like the new home warranty program which provides a degree of protection no other Canadian outside this province gets.

3:20 p.m.

**Mr. Philip:** Is the minister saying—and I think this is what he is saying—that he agrees with the advice given by William Fatsis, his administrative assistant, that the owners have no recourse but to go to the receiver? How much does he think these home owners are going to receive when liens are already being placed against these homes?

Will the minister not read the leaflets, which

are very clear and give a certain impression that they are covered under bankruptcy? Will he order his officials to take appropriate action against the HUDAC home warranty program under sections 2, 6 and 7 of the Business Practices Act which deal with false and misleading representation?

**Hon. Mr. Elgie:** I assume the member is saying there is misrepresentation. On the basis of his claim in this Legislature that these documents are misleading, I will certainly ask the business practices division to look at them. If it does not find such misleading evidence, I look forward to an apology from him to those who are involved in this unique program in this country.

I also remind the member that he should read all of that document. I do not say there may or may not be some things that confuse him, but I have to tell him the paragraph I read to him is very clear and concise.

I think what my assistant was saying is that we are in the midst of a bankruptcy and there are problems between owners, lenders and a bankrupt company. The receiver is trying to resolve whatever problems he is able to resolve with respect to liens on properties where title has not passed, and with respect to liens on properties where title has passed. Those are not easy problems and the receiver assures me he is using his best efforts to try to resolve whatever situations he is able to.

**Mr. Mancini:** Mr. Speaker, if the minister is not happy with the present situation that has occurred, as he stated in the first answer to the member for Etobicoke, why does he not consider extending the HUDAC program so that homes which are not completed, homes which would fall under the type of situation which has been described today, would be covered by HUDAC? Why does he not just extend the program so this cannot happen in the future?

**Hon. Mr. Elgie:** Mr. Speaker, I think the member should really come to a careful understanding of the home warranty program, of its uniqueness in this country and of what a fortunate province we are to have it in place. The future may mean we are to live in a risk-free society. That may be the policy of his party, that there is to be no risk, no risk takers and no chances ever that if one accepts responsibility for acquiring one's house and title to it someone should step in and say, "It is too bad."

We have introduced a new home warranty program that gives remarkable protection to

people in situations like this. The member should be proud of it, not criticizing it.

### ONTARIO ENERGY INVESTMENT

**Mr. Kerrio:** Mr. Speaker, I have a question for the Minister of Energy. It seems obvious to everyone but that Tory government over there that it has been caught with its polls down. I have to tell him that is the only reason it purchased Suncor, because the polls showed—

**Mr. Speaker:** Let us hear the question.

**Mr. Kerrio:** That leads me to the question because that has not been mentioned here today and that is the real reason the government bought in. Quite apart from the disturbing revelations in today's Globe and Mail concerning the tremendous government miscalculation over the Suncor purchase, I would like to ask the Minister of Energy about the future prospects of Suncor and how these were evaluated.

The minister will be aware that Mr. Ross Hennigar, the president of Suncor, told the Empire Club of Canada two weeks ago that he saw the erosion of world oil prices as probable. Would the minister explain why the experts of McLeod Young Weir did not forecast this softening of world prices at the time of their evaluation, and will he release their report and that of Price Waterhouse so the people of Ontario can view for themselves how this calculation was made?

**Hon. Mr. Welch:** Mr. Speaker, my good friend would understand that many of these questions have already been asked in the course of the afternoon. May I point—

**An hon. member:** They've never been answered.

**Hon. Mr. Ashe:** You were not listening.

**Mr. Speaker:** Order.

**Hon. Mr. Welch:** I do not know how the opposition's experts wrote all of these things for those boys to read over there, but on the other hand it seems they must have had two or three people writing the questions at the same time.

All I am pointing out to them is there were very valid reasons given for this very sound, long-term energy investment on behalf of the people of Ontario, consistent with the national energy program with respect to Canadianization. It is a program and a decision which was heralded by the federal minister as far as Ottawa is concerned, and, indeed, the advisers took all these matters into account.

It is a good investment. I repeat what I said several times during the day: it was commented

upon by independent people at the time with respect to the soundness of this investment and was consistent with the whole concept of Canadianization.

**Mr. Kerrio:** I must remind the minister that the Globe and Mail report today—

**Mr. Speaker:** Supplementary, please.

**Mr. Kerrio:** —was just reinforcing conclusions that we came to at the meeting he attended. There has been no change over here, not at all. We are trying to get a little bit more information on the minister's speculation with the people of Ontario's tax dollars.

**Mr. Speaker:** I am waiting patiently.

**Mr. Kerrio:** Could the minister table the report so we can see whether his experts estimated the expected rate of return based on various projections of the world price of oil? Could the minister state precisely what effect the current lower world oil price and the projected world oil price through the 1980s will have on the projected rate of return that he calculated with regard to the Suncor purchase?

I will tell the minister, the questions are all written down because this is very important and significant and we want to be sure it goes on the record.

**Hon. Miss Stephenson:** They are written so you know what you are talking about.

**Mr. Kerrio:** That's right. We know a great deal more about that. You're caught and you know it.

**Mr. Speaker:** Order. Is that a question?

**An hon. member:** No, it is a statement.

**Mr. Speaker:** The Minister of Energy will reply.

**Hon. Mr. Welch:** My good friend from Niagara Falls knows very well that if he had taken some care to read the entire speech to which he made reference, the speech delivered by the president of Suncor before the Empire Club, many of those questions were answered, because in the long term he has every confidence with respect to this company and its earning capacity.

The member also heard the Premier in the House today talk in terms of the remarkable performance of this company in comparison with other companies. The member will also recall, with respect to this company, the problem it had in respect to its synthetic oils in so far as the fire was concerned.

We have every confidence in our advisers. On this side of the House, we have named our



advisers. We have their advice on their letterhead. I simply ask the member to now give me his. I issue the challenge. We have made no secret of the source of our advice, who we consulted and the reasons for that decision. Obviously the member has some people who are prepared to be named and who will give us the benefit of their advice.

**Mr. Peterson:** On a point of order, Mr. Speaker: In view of the continuing unsatisfactory response of the government on this matter, I want to give you notice right now, sir, that I intend to move, seconded by Mr. Nixon, that the government of Ontario, as a result of its irresponsible expenditure of \$650 million for the purchase of 25 per cent of Suncor, failed to discharge its duty to properly manage public funds and, further, by failing to fully disclose the details of the transaction has shown contempt for the assembly and therefore does not enjoy the confidence of this House.

**Mr. Speaker:** That was not a point of order, with all respect. It obviously did not fall within the purview of oral questions.

### MOTION

#### PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moved that notwithstanding standing order 64(d), Mr. Breithaupt and Mr. Peterson exchange positions and that Mr. Peterson and Mr. T. P. Reid exchange positions in the order of precedence for private members' business to be debated.

Motion agreed to.

3:30 p.m.

### INTRODUCTION OF BILLS

#### FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

Mr. Breithaupt moved, seconded by Mr. T. P. Reid, first reading of Bill 98, An Act to provide for Freedom of Information and Protection of Individual Privacy.

Motion agreed to.

**Mr. Breithaupt:** Mr. Speaker, further to the comments made during the question period, the introduction of this legislation will give the people of Ontario an opportunity to have legislation that will protect their privacy and allow for public access to information within government.

The problems of Suncor are only an example of the kind of opportunity where information must be made available, and I look forward to

the passage of this legislation and its approval by the House so that we in this province can be the leaders with respect to this most important area.

#### MOTOR VEHICLES LABOUR CONTENT DISCLOSURE ACT

Mr. Newman moved, seconded by Mr. Ruston, first reading of Bill 99, An Act to require the Provision of Information respecting the Labour Content of Motor Vehicles.

Motion agreed to.

**Mr. Newman:** Mr. Speaker, this bill would require motor vehicle dealers to provide every customer of a new vehicle with a statement setting out the total number of hours of labour required to produce the vehicle, showing by percentage in what countries those hours of labour were performed. This would provide the purchaser with an opportunity to make a choice.

#### GOVERNMENT ADVERTISING CONTROL ACT

Mr. Foulds moved, seconded by Mr. Breaugh, first reading of Bill 100, An Act respecting Advertising by Governmental Organizations.

Motion agreed to.

**Mr. Foulds:** Mr. Speaker, the purpose of the bill is to control the type of advertising placed by the government of Ontario in broadcasting and print media. The bill prohibits placement of advertisements by the government of Ontario that have the effect of promoting directly or indirectly the political party to which the members of the executive council belong.

The bill provides that the Commission on Election Contributions and Expenses is authorized to receive and inquire into complaints concerning government advertising; that the commission determines whether a government advertisement does directly or indirectly promote a political party to which the members of the executive council belong; and that the government of Ontario must immediately withdraw such advertisement from further use.

#### ELECTION FINANCES REFORM AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. Breaugh, first reading of Bill 101, An Act to amend the Election Finances Reform Act.

Motion agreed to.

**Mr. Foulds:** In spite of the title of this bill, Mr. Speaker, its purpose is to prohibit advertising by the government of Ontario during a provincial election campaign. The bill contains exemp-

tions from the general prohibition for advertising related to the administration of the election and advertising required for emergency purposes.

Together, these two bills form a package that would prevent the abuse of government spending in the "Preserve it, conserve it" kinds of ads and the enormous amounts of taxpayers' monies spent for electoral purposes by the government party.

#### CITY OF HAMILTON ACT

Mr. Charlton moved, seconded by Mr. Wildman, first reading of Bill Pr22, An Act respecting the City of Hamilton.

Motion agreed to.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I would like to table the answers to questions 53, 56, 88, 89 and 90 and the interim answer to question 98 [see Hansard for Friday, May 7].

#### ORDERS OF THE DAY

##### MINISTRY OF INDUSTRY AND TRADE ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Mr. Sweeney:** Mr. Speaker, when we finished off yesterday afternoon at approximately six o'clock, I was talking about the problem of unemployment in the province, particularly youth unemployment, and making some references to the findings of a task force of which I am part at present.

The connection I was trying to make was that the unemployment problems in this province, or conversely the employment solutions, depend to a very large extent on the kinds of activities of this ministry and of this government.

We have pretty well identified in Ontario that the industrial base is the one from which most of the jobs are going to come. This does not in any way downplay the importance of many other of the bases of the economic health of Ontario. We know that is where the jobs are going to be created, in the small business area in particular and to some extent in large businesses as well.

3:40 p.m.

To highlight the concern which I began to express last night about the sense of quiet desperation—I think that is the phrase I used—I wonder if the minister had an opportunity to see

the fairly lengthy article in the Toronto Star of last night, headed "Desperate Jobless Sometimes Threaten to Kill Counsellors." The article reads, in part, "Twenty-five temporary offices have been set up to help students find summer work but laid-off workers are expected to fill some of the summer spots and the number of employers advertising. . . is expected to drop."

We have a compounding of the situation. Not only do we have a large number of unemployed youth but also we have a large number of students—the figure mentioned in the article is "more than 80,000"—who are now or will be looking for work this summer. We also have the large number of older, more experienced workers who have been laid off and who are competing for the same jobs. It is a desperate situation.

I also refer the minister to a report written by Harriet Wolman. If I am not mistaken, she was the Tory party candidate in Oakwood in the last provincial election. She was a good candidate. It is too bad she did not win. The report, funded by the federal government and sponsored by Metropolitan Toronto with assistance from the Ontario youth secretariat, is a report on youth unemployment. I will make a couple of references to it a little further on.

What I am trying to do is to highlight to the minister the critical need to get industry in Ontario cranked up and moving once again so that we can begin to solve some of these very serious social problems. As the minister is aware from his involvement with other ministries, we cannot put fences around any ministry of government; one impinges upon the other. That many of our young people and many of our older people simply cannot get jobs impinges on the fact that industry is not moving at the rate at which it should be moving and at which I believe it wants to move.

Harriet Wolman, in chapter 2 of her report, makes this observation: "To want to work and to be unable to find it is painful at any age, but youth unemployment has particular effects both on the individual and on society. A lengthy period of frustration and enforced idleness when a person first enters the labour force can disable him or her psychologically and in terms of experience for later employment."

That is really one of the most serious parts of this whole problem: what is happening to young unemployed citizens of Ontario at the very beginning of what should be their productive working lives. They are being hampered, they are being hindered, they are being prevented



from doing the kind of work that they want to do.

Yesterday, as I was finishing, I made the observation that many of the young people we have met over the past three to four weeks have said very clearly that they want to work. They do not want to be on unemployment insurance. They do not want to collect welfare. They want to work. They want to have a degree of independence.

Harriet Wolman also refers to the economic riots by unemployed youth which occurred in Britain in July 1981. I have a copy of a picture of the riots that one of my assistants was able to get me. The obvious point is, could it happen here? Am I being unduly alarmist to think it could? I do not think so. I suggest to the minister that a generally peaceful and law-abiding jurisdiction, such as England has always been, certainly did not anticipate that its young people would be rioting in the streets. We do not expect it to happen here either, but the question one has to ask is, how long can it go on?

How long can any group of people in our society, but particularly young people in our society who are just beginning the productive part of their lives as they sense it, continue to have the door slammed in their faces? How long can their self-image, their sense of self-identity, self-worth and self-value take that? May we not some day, in the streets of Toronto, Kitchener, Windsor or wherever, be taking a picture like this of Ontario youth rioting in the streets because the government and the members of this Legislature were not able to provide some of the things they need?

I want to highlight this because I think it tells us clearly that when we talk about establishing a new ministry, when we hear the minister himself saying over and over again that his first priority is creating jobs, what he needs is the will. As I said yesterday to the minister, all the power he needs is in here; he does not need any more. What he needs is the will.

It is rather surprising that about a year ago Tom Kierans, I believe it was, chairman of the Ontario Economic Council, made an observation about the Ontario government with respect to the very issues I am discussing now. He said, "We lack the enthusiasm for change." Of course, we go on to the rest of the things he was saying and the context in which he was saying them. He was making the observation that we seem to lack the will to get in there and fight as hard as we can, to put both feet to the issue and participate strongly. I made reference to that

yesterday, but it is something which this minister and this government is going to have to refer to.

The announcement in the last three or four days of the collapse of the Alsands megaproject in western Canada and the probable, although not yet definite, collapse of the Alaska pipeline have generated in Ontario as well as in other parts of Canada a sense of malaise, a sense of real depression, because we recognize they could have created a lot of work in Ontario, got a lot of our industries moving again and got a lot of our people working. The question is, what do we do about it?

There are all kinds of reasons why that happened. We have mentioned before that if the government of Ontario a year ago had put into those projects or into at least one of those projects some of the \$650 million it was able to find to put into Suncor, it might have made a difference. Maybe it would; maybe it would not. I have no way of knowing. The point is, what do we do now? Are we going to continue to cry over the fact that they are gone and we have lost all those opportunities, or are we going to start asking ourselves, where do we go from here?

Maybe the initiative, the inventiveness, the creativity and the funding that could have flowed to those projects can flow into industry in Ontario. If we were prepared to participate and to draw from them, maybe we could turn around and say: "Okay, they are gone. What do we do now? How do we tap into all of that lost potential?" I certainly hope this minister and this government will not simply wring their hands or get out the crying towel but will say: "All right. We move on now. We take the other opportunities that are before us."

Maybe we should look at some of the models. We often hear references to the Japanese. Of course, on the negative side the reference is that they have a different history, a different culture and a different family background than we have and that therefore there is no way we can transpose their methods of operation to Ontario.

That is one side of the argument. But I am sure the minister knows there is another side of the argument that says, for example, that many of the management techniques and labour-management relationships the Japanese are using right now are not part of their culture, their tradition and their history but rather are newfound skills. I was reading a report just a few days ago in which the Japanese themselves and

American and Canadian businessmen who have gone over there to visit them said that—

**Mr. Samis:** I am sorry to interrupt the honourable member but, since I believe this is the first legislation for this ministry's new portfolio, can you advise me whether we have a quorum, Mr. Speaker?

Mr. Speaker ordered the bells to be rung.

3:55 p.m.

**The Acting Speaker (Mr. Cousens):** We have a quorum. The member for Kitchener-Wilmot may continue.

**Mr. Sweeney:** Mr. Speaker, I was just referring to the fact that although the Japanese industrialists have a different culture, different history and lifestyle to call upon, there are many things we can learn from them.

The point that was made both by Japanese businessmen and by Canadian and American businessmen who had visited them was that following the Second World War, in which their industry and economy were devastated, they quickly picked up on the management techniques and labour-management relationships in practice in North America at that time. As a matter of fact, Canadian businessmen have told us that there is nothing very remarkable about what the Japanese do; it is just that they do it much better than we do.

We should learn from them. We are setting up a new Ministry of Industry and Trade and if we want to compete on the international trading front, we have to pick up on some of the techniques they use. For example, we know that the Japanese analyse world markets very carefully. In some ways, they know more about our market than we do.

If I can make a very specific point, the minister may be aware of the fact that his colleague in British Columbia, the Minister of Industry and Small Business Development, Don Phillips, made reference to the Japanese knowledge of his province and its industry with respect to a recent coal agreement and where a port was to go. When the Canadian delegation went to Japan and suggested that there might be an alternative place to put this port, the Japanese brought out their charts, their diagrams and studies, references and records and clearly indicated where the Canadians were wrong and where the Japanese were right.

With respect to that decision, Don Phillips said: "You've got to take the world as it is. As for the Japanese, I know that they know more about British Columbia than we do." That was a pretty

startling statement, for the Minister of Industry of British Columbia to admit that the Japanese know more about the Canadian market, particularly about the British Columbia market, than the British Columbians themselves did or than the Minister of Industry and Small Business Development in British Columbia did.

I wonder to what extent that is true in Ontario; I do not know. I do not know whether the minister has ever had an opportunity to sit down with his Japanese counterpart to find out just how much the Japanese know about the Ontario market. If he has not done so, I suspect he would be surprised at what they know.

One of the reasons they are so successful is that they do very careful groundwork before they move into any market or produce any products. That is something we will have to realize if we are going to get involved in world trade, as the minister said in his opening statement and as is implied in this legislation. We know that at least 25 per cent of everything manufactured in Ontario goes out to the international market; so we really do not have much choice. If we are going to do those things, let us at least play the game smartly; let us at least get the same competitive edge.

We know we will have to boost new technology. In his statement the minister referred to technological centres that have been set up in Ottawa, Peterborough, Chatham, Cambridge and—I forget where the other one is. That is a good start. But I come back to a point I made yesterday about the people who are going to run those industries.

What about the training programs? For example, has the minister confirmed with his colleague the Minister of Colleges and Universities (Miss Stephenson), who is responsible for manpower training in this province, that people are getting ready? Perhaps the minister will have to take some initiative himself because the history of that ministry in preparing skilled people in this province is not very good at all. The record clearly shows that.

4 p.m.

Maybe what this minister has to do, if not by himself then at least in co-operation and co-ordination with his colleague the Minister of Colleges and Universities, is to set up very specific training centres in conjunction with those technology centres. The obvious place to start, because of the location of a vast array of new businesses in high technology, would be the Ottawa area.

I would suggest strongly to the minister that it



would be a very good initiative on his part and on the part of his government to set up a good, innovative, high-technology training centre somewhere in that industrial park near Ottawa. It could be some other place, but Ottawa makes an awful lot of sense. There is a good centre as a beginning; there are a number of industries which, I am sure, would participate. I had the opportunity last Wednesday to visit Systemhouse, Mitel and similar companies. I clearly got the impression that they would be willing to participate. They indicated their need and the quality of their need. There was no doubt in my mind when we talked to the young people in Ottawa and the guidance counsellors from the two school boards in Ottawa that they would certainly be prepared to participate. That is the kind of thing we have to do.

Another thing we can learn from the Japanese is the whole question of quality. If one asks the average person in Ontario why he buys a Japanese car, a Japanese television set or whatever, he will say it is because the quality is high. There is no reason why we cannot do that here. What really gets us down so much is that when we look at what others do we have to look at ourselves and say, "We could do that." There is nothing magical about their procedures, programs or strategies. It is all pretty well straightforward. It is much like what we find in good hockey teams; it is just good basics. That is what we need in Ontario. We need some good basics. We need high quality. We need good planning. We need good labour-management relationships. The potential for all of those is there.

All I can say is that with the founding of the new ministry, with the setting up of the combined Ministry of Industry and Trade, this is as good a time as any to make a start because, if we do not, then three, four or five years down the line this minister and this government are going to have to answer some pretty important questions.

What other needs do we have to have? We have spoken earlier about involving ourselves and helping business with respect to interest rates. I think I touched on the point of a small business development bond along the lines of those offered by the United States and American municipalities. That is something we have to take a look at. We have to get much more involved as a government. I spoke earlier to the minister, a little more personally, about his own political philosophy and, I suggest, his economic philosophy, which might make that difficult. Let us hope there can be some change.

I would like to end up with this point. Now is not the time to be timid. Now is not the time to be intimidated by circumstances. Now is the time to recognize that there is a need. Now is the time to recognize that we have all the resources we require, both physical resources and human resources. Now is the time to recognize that what we need above and beyond is the will. What we do not need is the blandness that the Premier (Mr. Davis) speaks about so often. We do not need that any more. We need courage. We need will. We need creativity. We need initiative. If those things are going to come, then we can put industry in this province back on its feet and we can people in this province back to work. That is what we need.

If the minister is going to involve himself in that, then maybe we are going to be able to speak to Inco, which is laying off people. We are going to be able to speak to Stelco, which is laying off people. We are going to be able to speak to Volker-Craig, which is laying off people. We are going to be able to speak to the automotive industry. My colleague the member for St. Catharines (Mr. Bradley) raised a question this afternoon about General Motors laying off people.

We are going to be able to speak to the people in my city of Kitchener who have had to have the federal government come in and institute the industry and labour adjustment program because not only are things bad there now, but also, as they look ahead one, two or three years, they see no hope for change. Of course, the minister will be well aware of the fact that is one of the criteria for introducing ILAP into a community, not that there is a problem there right now, but when they look down the road it does not appear as though the problem is going to get any better, and now is the time to grab hold.

The problem is grave; the times are grave. We call for courage; we call for initiative. This is a good place to make a start. I am not sure whether he can do it. I am not sure whether he has the will to do it. I am not sure whether he has the philosophy or the ideology to do it, but the mechanism is there. If he does, we will support him, but if he does not we are going to fight him every step of the way over the next three to four years and we will fight him on the doorsteps of this province some time in 1984 or 1985. He has the opportunity. Let us see what he can do with it.

**The Deputy Speaker:** Mr. Wildman moves, seconded by Mr. Mackenzie, that Bill 38, an Act



to establish the Ministry of Industry and Trade, be not now read a second time but be referred back to the minister with instructions to amend the bill to incorporate the following changes in its objectives, namely—

**Hon. Mr. Walker:** On a point of order, Mr. Speaker: This seems like a very unorthodox approach to second reading debate.

**Mr. Wildman:** I am moving a reasoned amendment which I understand is quite in order on second reading.

**The Deputy Speaker:** It is my understanding under standing orders that a reasoned amendment is in order during second reading debate.

**Hon. Mr. Walker:** Not until afterwards.

**The Deputy Speaker:** Not until after what?

**Mr. Wildman:** With respect, Mr. Speaker, this was filed with the table and it is quite in order to move at any time during second reading, as I understand it.

**The Deputy Speaker:** It is my understanding that a reasoned amendment is in order at any time during second reading.

Mr. Wildman moves, seconded by Mr. MacKenzie, that Bill 38, an Act to establish the Ministry of Industry and Trade be not now read a second time but be referred back to the minister with instructions to amend the bill to incorporate the following changes in its objectives, namely: (1) to increase the degree of Canadian ownership of Ontario industry; and (2) to provide for the use of crown corporations in joint ventures and to develop key sectors of the Ontario economy where imports dominate.

**Mr. Wildman:** Mr. Speaker, on behalf of my party, I have moved this amendment because, unlike the Liberal critic, we do not think that Bill 38 incorporates all that is necessary to deal with the economic problems this province faces.

The minister, in his remarks both at the introduction of this bill and outside of the House, has stated that the main objective of this new ministry is the encouragement of investment opportunities, but at no time does he or the Conservative government differentiate between Canadian and foreign investment.

More often he just refers to the term "investment." As we saw in his statement at the outset of this debate, the minister made it quite clear that in talking about encouragement of investment what he was referring to was not only Canadian investment but, indeed, investment from all countries of the world.

On page 6 of his statement the minister said

that the government wants to "show that we also welcome investment from outside Canada." He went on to say: "If foreign companies can prove responsibility in performance, if they can provide us with significant benefits in such things as new jobs, research and development, technical processes and demonstrate their willingness and commitment to contract with local suppliers, then we feel that Ontarians should have the chance to share in the experience, knowledge and rewards that such companies can and do bring."

**4:10 p.m.**

He says that his ministry will "identify key investment markets around the world and convince them of the benefits of investment in Ontario."

The contradiction between the minister's aims and his objectives is contained within those statements. In my view, the significant word is "if." He says, "if foreign companies can prove responsibility in performance, if they can provide benefits in terms of jobs, research and development, technical processes," etc. I hope to show in my remarks why we believe that is contradictory in the extreme.

We have talked many times in this House and elsewhere about the problem of foreign investment in this province. My colleague the member for Kitchener-Wilmot (Mr. Sweeney) mentioned in his remarks yesterday the problems of foreign investment in Ontario and the effects it has had in terms of job opportunities. However, the member said he believed everything that was required was contained in this bill if the government had the political will. We certainly agree that the government needs political will to create the job opportunities and the development we believe is necessary. But in our view, the statements made by the minister himself in introducing this bill indicate this government does not possess the political will to deal with the structural problems we experience in this province because of foreign investment.

In fact, it is quite the opposite in terms of this minister. The minister himself basically has made quite clear that he is not concerned so much with ownership as with performance. It is precisely because of the performance of foreign-owned firms in this country and in this province that we think it is entirely necessary for this bill and for this ministry to state quite clearly that one of its main objectives is to increase Canadian ownership in the Ontario industry and to provide the ministry with the tools we believe will be necessary in order to



achieve that objective, that is, the power to use public investment where necessary to deal with the serious problems created by the foreign domination of our industry, specifically the problems of imports and the domination of our economy by foreign imports. Of course, we all know that means the export of jobs.

We are in this country in the unenviable position of spending an incredible \$18 billion more for imported manufactured products than for Canadian-produced ones. According to the president of the National Research Council of Canada, Dr. Kerwin, Canadian industry is "in danger of being buried." Yet this minister says he believes foreign investment can do the job as long as it can perform. As long as it can perform is the whole point. We do not think it has in the past nor will it in the future.

Interjection.

**Mr. Wildman:** That is exactly correct. In his statements since he was appointed minister, he has said he sees his main objective as the protection and creation of jobs in Ontario. Yet he seems to be unaware of the fact that one of the main reasons for the increasing layoffs and record unemployment in this province is the very branch-plant nature of our economy. It has been shown and demonstrated time and again that in times of economic downturn more and more multinationals close their Ontario branch plants and withdraw their operations to their parent firms in other countries. Yet this minister wants to increase the branch-plant nature of our economy. That is self-defeating.

We have seen over the last few weeks a clear demonstration of this minister's commitment to Canadian ownership when we look at the White Farm Equipment deal in Brantford. In that situation we have seen this minister's role mainly as one of pressuring the federal government to agree as quickly as possible to the TIC Investment Corp. takeover where there were threats to put people out of work at a Canadian company even though that company had received loan guarantees from the federal and provincial governments on the basis of maintaining Canadian ownership over the long term.

In that deal we got no guarantees at all of future stability of jobs in Brantford. Yet this minister had the gall to get up in this House and say he had saved jobs in Brantford. In the short term he may well have done that, but in the long term what does this mean for the future of that community and for the jobs at that plant?

This minister has made a number of statements with regard to the Foreign Investment

Review Agency of the federal government. He is trying to give the impression that agency is somehow scaring off investment in this country. In our view, that agency has done the complete opposite. It has not really lived up to its responsibilities. We all know that 90 per cent of the applications made to that agency are approved. How in heaven's name a 90 per cent approval rate can be seen by this minister as somehow scaring off investment is beyond me.

In the Ontario Business News recently the minister had an interview which was quite interesting in terms of his political views and philosophy. He reiterated that his major problem for the future is job creation. He stated quite clearly that he is convinced the way to create permanent, stable jobs is by supporting business. I suppose that is what he did with White Farm Equipment in Brantford. He certainly supported the American company's interests.

This minister has stated clearly he believes the job of government is to create a positive climate for investment for business. He stated, "When you have investment, you have jobs and when business can function without government in its hair, business performs at its best."

He reiterated in this interview that he does not care so much where the investment comes from, although he would prefer that it be Canadian, but he does care how it performs in Ontario. Then he goes on to say, "This may put me in a position of sometimes challenging Ottawa's Foreign Investment Review Agency which often gets itself in the way of business."

How on earth can he say it gets itself in the way of business investment when, as I said, 90 per cent of the applications are approved?

**Hon. Mr. Walker:** Ten per cent are not.

**Mr. Wildman:** The minister says 10 per cent are not. In other words, he is trying to tell us that 100 per cent of the applications by foreign firms to invest in this province should be approved and should be accepted. That seems to indicate to me that what he is saying is we should get rid of FIRA completely. That is going a step further than I have ever heard him state before. I was under the impression he simply wanted to make FIRA—

**Hon. Mr. Walker:** Mr. Speaker, on a point of order: I wonder if the member would be good enough to indicate clearly where I have said that I propose the abolition of FIRA.

**The Deputy Speaker:** It is not quite a point of order.

4:20 p.m.

**Mr. Wildman:** I am not surprised, Mr. Speaker, that the minister wanted to get that clarified. When I said I wondered how he could say that the Foreign Investment Review Agency had got in the way of investment when 90 per cent of the applications are approved, he said in response to that, "10 per cent are not." That indicated to me he did not believe that 10 per cent should not be. In that case, 100 per cent would be approved and FIRA would make no sense at all. Why have an agency if everything is going to be approved? Why review anything?

**Hon. Mr. Walker:** I wanted to make sure that the honourable member would quote me properly.

**Mr. Wildman:** Let the record show, as I said, that the minister said 10 per cent of the applications are not approved. He was referring to my question of how FIRA got in the way of business.

At any rate, that is immaterial. The point is that the minister is demonstrating again today as he has on many occasions his feeling that ownership is not really important, that we should show the world that investment capital is welcome in Ontario. He has indicated in the past, and this is another quote, "The federal government is obsessed with ownership aspects of foreign investment. Ontario takes a different view. We are less concerned with ownership and more concerned with performance of foreign companies."

From those positions, it is obvious that this minister does not understand the truncated, branch-plant aspects of our economy and how that is basically responsible for the very problems he says he wants to deal with through his new ministry: the creation of jobs, the expansion of technology, import replacement, all of these things which he himself has said are very important. The Liberal critic also said these were very important and we accept they are important. We must deal with these if we are going to provide jobs and development in Ontario.

The minister just does not understand that what he is saying is that he is going to exacerbate the problems rather than resolve them. By referring the bill back to him for reconsideration, we are giving him a chance to shift from that self-defeating philosophy he has to one which is far more active and positive, to one

which can deal with the serious structural problems we have in this economy and which will set out clearly before the public and before his own government what it is intended his ministry will do.

We heard in the minister's comments, and also for that matter in question period today, of the desire of this government and other ministers, to be sure, to Canadianize the resource industry. We are saying that is a laudable goal and this ministry should have that aim as one of its main goals.

In our view, foreign ownership is a major impediment to ending our trade deficit. This minister has said he wants to deal with the important problem of import replacement. We believe that is necessary. We believe that one of the main problems with the Ontario economy is our number of imports because that means fewer jobs for Ontarians. We believe this ministry should be identifying the sectors of the Ontario economy which are dominated by imports and should be dealing with that matter by encouraging import replacement.

In our view, however, if we depend on multinationals to deal with that problem we will not be successful. We know multinational parent firms maintain centralized control over the operation of their subsidiaries around the world, not just in Canada. Because of that fact, the branch plants that operate here do not make the full range of components and materials required for their manufacturing processes. In most cases they import components and materials from the parent firms.

Recently my federal leader released a study which was commissioned by the federal government. It was an internal document in the federal government which was looking at the performance of FIRA. I am sure this minister has seen that document and has found it interesting. I will not get into the comments made specifically about FIRA in that report, but I would like to refer to what that report had to say about foreign ownership and its effect on the Canadian economy. This deals with the economy of the whole country, but it has obvious relevance to Ontario since this province has been until the recent past the main manufacturing centre, the heartland, as this government has called it, of the manufacturing economy of Canada.

In terms of imports this study states that foreign-controlled firms are the major conduits into Canada of imports. Seventy-two per cent of all Canadian imports, in terms of components



and materials for manufacturing, come through importation by branch plants from parent firms in multinational operations. Foreign companies import at a ratio to sales of five times greater than Canadian industries. If this minister really believes that one of his jobs is to deal with import replacement, how he can state, in another breath that he is going to increase foreign investment in this province is beyond me.

The study of the federal government stated: "No matter how efficient the independent Canadian supplier may be, his price can never compete with the internal costing procedures of multinational enterprises." We have a situation where, if a small independent Canadian manufacturer of parts or components is cost competitive, that is, if his price is lower than the price that is charged by the parent firm of a multinational to its subsidiary, it is still not going to be able to compete, according to this study.

There is nothing that indicates more clearly than this that the strategy outlined by this ministry in this bill is not going to work. The minister himself has stated that his approach will be that he wants "to have Canadian enterprises replace many imports and expand the domestic economy by buying Canadian. This means encouraging large Canadian firms to make a special effort to buy supplies from smaller businesses here so that they can grow, specialize their operations and create new jobs. This gives you some feeling for the philosophical approach that my ministry will be taking."

I would like to know how this minister believes his appointment to the ministry and the setting up of this new ministry is going to change the long accepted operations of multinationals? How is he going to be able to persuade Canadian subsidiaries here to purchase Canadian-manufactured components when they are directed from elsewhere to purchase imported components even if they cost more.

The fact is that by importing components from elsewhere those subsidiaries tend to improve the profitability of the parent company. Profitability is viewed in a global sense, so we are not talking just simply of the profitability of a Canadian subsidiary. In that context, it still pays the multinational to purchase in the accepted manner.

The study showed that Canadian-owned industries purchase far more of their components here. It seems to us that if one is going to deal with import replacement, one must also deal with the ownership of the company. One cannot just talk about performance because perfor-

mance has been shown over the years to be lacking in terms of the purchase of Canadian parts and components. One cannot separate the two. Ownership and performance go together. If the minister believes he can somehow separate the two, in our view he is dreaming.

**4:30 p.m.**

The result of foreign ownership in terms of imports has been horrendous for the Canadian and Ontario economies. We have a trade deficit of \$16.8 billion in imports of machinery and tools. In 1980, imports of general purpose and special industry machinery were \$6.7 billion, imports of agricultural machinery and tractors were over \$2 billion, and of other equipment and tools over \$8 billion, for a total deficit overall, when one works out the exports and imports, of \$11.8 billion.

If this minister is hoping to turn that around by a public relations effort of persuading or encouraging multinationals to change their purchasing practices, we are in for a long period of continuing deficits.

Canada is the only industrialized nation that imports more than 50 per cent of its industrial machinery and tools. That is hardly a record of which we can be proud. It is not just a question, as I said, of imports and a question of balance of payments and the difficulties those propose for our economy, but it is obvious that, when we import these components, parts and machines, we are exporting jobs.

In this party, we have talked for many years about the serious problems we have had in specific sectors. We have talked about the mining machinery industry where, while we are the third largest mineral producer in the world, we are the largest importer of mining equipment and we have a deficit of \$360 million in terms of imports. We have seen that 90 per cent of our mining machinery is imported. This is not isolated to mining machinery. We have the same problem, perhaps not at the same level, but close to it, in other areas. We import 70 per cent of our forestry machinery.

As I have said, American manufacturers find it more profitable to buy the parts in the US and to assemble here, even those companies that have assembly operations here. We have seen in the auto industry the serious problems we have. By the end of 1980, we had a deficit in auto parts that surpassed \$3 billion. It has been shown that the underdevelopment of the parts sector in Ontario has meant a loss of about 19,000 jobs.

It is time this government recognized that when dealing with the Big Three in auto, our



trade deficit with those three companies is equal to the trade deficit we have with the Japanese. The Premier of this province and other members of the cabinet go to the United States, they go to Ottawa, and they make speeches about the need to deal with the import problems of the Japanese, and we agree with that. We need content legislation. We need content rules. But we cannot ignore that we have a similar problem in the North American market. We have a deficit that means a serious loss of jobs.

It is not just in those areas. We have also pointed out in the sector of food processing that the branch plants—the nature of that economy has had a serious effect in that the integration of continental food markets has made us increasingly dependent on imports. We had 37 processing plants in 1955 with Canadian Cannerys and by 1978, after 20 years of Del Monte control, 30 of those plants had shut down.

Investment and development decisions are made elsewhere and they are not made in the interests of this province or its workers. As I said, when we run into the serious economic problems we have experienced in the last couple of years throughout the North American industry, and for that matter the western economy, then we see that branch plants are the first to close and multinationals return their production to their parent firms. Yet this minister says he is not concerned with ownership, he is only concerned with performance. The record shows what performance means when we are dependent on foreign ownership.

One of the major problems we face because of the foreign domination of our economy is the lack of research and development in this country and in this province. In his leadoff, the minister referred to this problem. If I can locate it, I would like to refer to his comments. He talked about investment opportunities in terms of technological innovation.

He stated that the way this province and the ministry was going to deal with it was through the establishment of technology centres, and he referred to biotechnology, microelectronics, robotics, computer-aided design, computer-aided manufacturing, food processing, auto parts and resource machinery development centres. He also looked at the new Innovation Development for Employment Advancement Corp. as if it was somehow going to be a panacea for the serious problems we face in the lack of research and development.

Earlier, on April Fool's Day, the minister made a statement in which he also looked at that

problem. In talking about multinationals, he said: "If they can provide us with measurable benefits, new jobs, research and development, technological processes, contracting local suppliers and so forth, they are welcome in Ontario. I intend to bring investors to Ontario so that they can see firsthand what we have to offer."

We also know that if we compare expenditures on R and D just between Canada and the US and not refer to the other manufacturing countries—we are somewhere on the same level as Iceland and Ireland in terms of our commitment to research and development in our industry—the United States spends 1.84 per cent of all sales on research and development and Canada spends only 0.078 per cent of all sales.

As the study I referred to earlier stated: "Generally, Canadian-controlled firms spend more on research and development in Canada than do American firms. In manufacturing firms in Canada, Canadian firms spend 1.3 per cent of their sales whereas American-owned firms or American-controlled firms spend only 0.83 per cent of their sales on research and development."

Canadian firms that are owned or controlled by foreign companies are not encouraged by their parent firms to carry out the research and development that is going to keep us in line with the development of technological innovation over the next decade. The branch plants are encouraged to purchase their new technology and their research from the parent organization. That is why we have such a dismal record in comparison with the US.

Multinational firms do not want to duplicate their efforts in research and development. If they have research going on in the parent firm, they carry it out. When it reaches fruition, they then export it at a charge to their branch plants. Not only does that increase the balance of payments deficit we have as a result of foreign ownership and our import problem, but it means that Canadians are not given the opportunity to take on the research and development that would provide new investment opportunities in this country, and the performance of that is related directly to ownership.

4:40 p.m.

Canadian firms spent \$168 million in 1980 to import research and development from foreign firms. Very little research and development in the North American auto industry is done in Canada. In 1977, only 0.2 per cent of all expenditure on R and D by the Big Three took



place in this country. In that year, Canada paid \$300 million to import technology and research, at least some of which we could have been doing directly in this country. In our view we have become overdependent on the new American technology that we import. The approach by this minister and by this government means we will continue to do that and to face the serious problems we have faced in the past.

Many people in this country have pointed to Mitel Corp. and the microchip technology in the Silicon Valley of the Ottawa area and have said, "Look, this is an example of R and D taking place, of new technology developing in this country that should be emulated by other Canadian firms because it will lead us into the forefront of technology and industry in the future."

The president of the National Research Council, to whom I referred earlier, has said those firms, acknowledged leaders though they are, are a very small minority of Canadian industry; and that if we want to hang our hats on those few firms for future creation of new technology, new industries and new jobs in Ontario we are doomed. There are people in Ottawa who are starting to do studies of Canada as an underdeveloped country; not as one of the industrial countries but as a country that has been left behind by Japan, the United States and western Europe.

Increasing foreign ownership is not going to turn that around. We submit that the technology centres to which the minister referred in his leadoff speech will not turn it around, either. It may be helpful in increasing R and D and in getting firms involved in research and development in this province, but if the major firms in this country and this province are foreign owned we will continue to face the serious problems we have faced in the past. It will be more profitable for branch plants of foreign firms simply to adopt research and development that has taken place elsewhere.

In his leadoff speech the minister also talked about the need for the expansion of trade and the trade component of his ministry. He talked about the expansion of an enhanced domestic marketing program and stated that he wants to identify major sectors for high import replacement opportunities. Some might suggest that because of the statement of the minister and the commitment he has made, the last part of our reasoned amendment is redundant and unnecessary. The minister has already stated he wants to become involved in import replacement.

If one looks carefully at what the minister is really talking about in terms of import replacement, it seems to us he is really talking about a public relations effort, an effort to persuade Canadian firms to purchase Canadian, to identify Canadian manufacturers, which would be useful, and then to try and persuade Canadian firms to purchase parts here rather than abroad. Again, we run into the problem of foreign ownership and the purchasing methods used by multinationals.

In his April Fool's Day speech the minister said: "We are keen to have Canadian enterprises replace many imports and expand the domestic economy by buying Canadian. This means encouraging large Canadian firms to make a special effort to buy supplies from smaller businesses here so that they can grow, specialize their operations and create new jobs."

I wonder why the minister believes his persuasive powers are somehow going to encourage firms which have had the opportunity to buy Canadian for years, but have chosen not to do so, suddenly to change their approach. The federal study certainly indicates this is not a likely result since the development done by foreign firms is basically part and parcel of foreign ownership. As long as we are dominated that way, I cannot see this minister changing it or turning it around.

I do not want to give the impression this is somehow gloom and doom and that we do not believe anything can be done. That is why we have taken the positive approach of giving the minister some ideas of what we think he should include in this bill, the aims he should have for his ministry and the methods his ministry could use in terms of public investment to turn the situation around.

Nothing could be further from the truth than the suggestion that the New Democratic Party does not believe we can turn the situation around. We do believe, though, that as long as we follow the philosophy of this minister in terms of creating investment and encouraging foreign investment, we will not change the situation in Ontario or in Canada.

We believe there is a tremendous opportunity for research and development, for the development of Canadian investment and for a positive and active role by the government. We believe that is a major role for this new ministry.

I realize that in suggesting a positive and active role of government intervention to this minister we are perhaps not going to get very far. This minister keeps a replica of a typical

street vendor in his office and says: "It is all about the free enterprise system. The vendor does his own thing, his entire factory is on a box with wheels and he is not encumbered by rules and regulations."

**Hon. Mr. Walker:** What do you have against street vendors?

**Mr. Wildman:** Nothing at all, but if the minister really believes we are going to turn this economy around and—

**Mr. Samis:** The minister would probably license them off the streets in London if he had his way.

**Hon. Mr. Walker:** Some of the finest street walkers are in the NDP.

**Mr. Wildman:** By the way, does the minister believe a street vendor should have a licence?

**Mr. Samis:** He probably does.

**Hon. Mr. Walker:** Some of the finest street walkers are in the NDP.

**Mr. Samis:** Do you remember what John Diefenbaker said about Flora?

**Mr. Wildman:** The minister is letting us know his real feeling about the free enterprise system when he points out that street walkers are a good example of free enterprise at work.

**Mr. Samis:** He was in charge of booze, sex, sin and gambling in his former ministry.

4:50 p.m.

**Hon. Mr. Walker:** I said a good example of the NDP.

**Mr. Wildman:** He is the one who raised the question of street walkers. Is that street walker or Gord Walker?

In this Ontario Business News interview, the minister "confessed to a sincere and deeply felt belief in the positive value of the free enterprise system and viewed his role as the boss of one of the Ontario government's key economic ministries in relation to his view that the best way to have development is to not have government intervention." I think the minister would not disagree that this was the purport of what he was saying.

Despite that, I sincerely believe that the minister should rethink his position and take a good look at our reasoned amendment. In our view, if we leave it to the private sector to provide the investment and the jobs that we require in this jurisdiction, then we are going to have a repeat and an ongoing example of what we have talked about in terms of branch plants in this province. It seems to me that what the

minister is really talking about is branch plant Ontario.

We believe there is a tremendous opportunity for this government to take an initiative in the economy and for this minister to lead the way in that exercise. That is why we believe it should be spelled out in the bill that the ministry has the right to set up crown corporations and to enter joint ventures with the private sector where necessary, especially in terms of a systematic approach to import replacement.

I understand, though, that in order for the government to do this it would have to have a coherent industrial strategy and I doubt that this minister really believes in that when one looks at his comments about the free enterprise system. I am afraid what this minister wants is a continuation of the ad hoc approach that this government has had towards the economy for years.

I suppose in terms of any kind of government intervention, this minister simply means a grant here, a grant there, a loan guarantee here, a loan guarantee there. He might in his heart of hearts say he does not like that, he is opposed to even giving grants and loan guarantees, that he would rather see the market operate unencumbered by government intervention and government involvement. I suppose that is what he meant by his comment about himself and the Treasurer (Mr. F. S. Miller) being the members of the cabinet who choose the right wing at the turkey dinner.

**Hon. Mr. Walker:** The turkey we are talking about is over there.

**Mr. Wildman:** I remember a good friend of mine who used to refer often in this House to the turkey with the two right wings, and it appears that with this minister we have the turkey trying to fly again. We all know what would happen to a bird with two right wings if it tried to fly. It is headed for collapse. If that is how this minister is going to approach his responsibilities to this new ministry, we are not very optimistic about the future of job creation in this province.

If he looks briefly at a couple of areas I have referred to for import replacement, we have calculated that if we were to reduce imports by 50 per cent in those areas we would save Canada \$5 billion in terms of its balance of payments deficit and we could create 100,000 jobs.

We are not talking about some kind of airy-fairy thing where we say we are not going to have any imports, we are going to be completely self-sufficient, we are not going to have anything to do with other manufacturing sectors in the



world. We are talking about an effort to replace 50 per cent of our imports of machinery and tools and the jobs that action would produce.

This government has gone so far as to look at investment in the mining machinery industry. We have heard of the centre that has been proposed for Sudbury. The member for Nipissing (Mr. Harris) is not very enthusiastic about that centre but I think the member for Sudbury (Mr. Gordon) probably is very enthusiastic about it. I know the government has proposed that centre not because of anything the member for Sudbury has done over the few months since he was elected but because of the efforts of the members for Sudbury East (Mr. Martel) and Nickel Belt (Mr. Laughren) to bring before this House—

**Mr. Harris:** On a point of order, Mr. Speaker: It was alleged that the member for Nipissing did not support the setting up of the—what was it he called it?

**Mr. Wildman:** The mining machinery centre.

**Mr. Harris:** Yes, the mining machinery resource centre in Sudbury. The member's information is incorrect. He can check the record. I said I went to Sudbury and was there when the announcement was made; I gave wholehearted support to that and supported the minister who made that announcement. It is all on the record.

I have supported it publicly and have said publicly in the North Bay media and the Sudbury paper that I thought it was a good thing, a good move by the government, good for northern Ontario, good for Ontario and good for North Bay. I do not know where the member gets his information.

**The Deputy Speaker:** The record is corrected.

**Mr. Wildman:** I do not think it was a point of order but I am glad the member took the opportunity to correct the record. I probably misinterpreted the question he raised in the House as to Jarvis Clark Co. Ltd. in North Bay. It was a misinterpretation on my part.

Since the member has stated that the movement in this direction is good for Ontario and for northern Ontario and that it produces jobs in northern Ontario, I hope he will encourage this new minister to move much further and to produce more resource machinery jobs in northern Ontario. For example, why is this government not taking the opportunity to create a crown corporation to produce forestry machinery in this province?

I hope we will now have the wholehearted support of the member for Nipissing and the

member for Cochrane South (Mr. Pope) in the production of a forest machinery industry in northern Ontario. We could produce a large number of jobs for northern Ontario and for this province if we were to move towards crown corporations which could get involved in joint ventures to replace a large portion of the imports we now bring in for our forestry and mining industries.

We also believe the ministry could become directly involved in assistance to co-operatives through crown corporations and joint ventures to deal with the problems we have in the food processing industry. I need only refer to the comments made by the new Deputy Minister of Agriculture and Food in the estimates last December when he said we need a big guy, no little guy is going to be able to become involved in the food processing industry and be able to compete; that it could be a co-op, but we are going to have to get somebody large enough to compete in that industry.

We believe this is a great opportunity to produce jobs in the Niagara Peninsula in southwestern Ontario. At one time there was a demand for a food terminal in Timmins, but I understand that was a terminal promise.

**Mr. Samis:** It certainly was; like two for one.

**Mr. Wildman:** It went about as far as two for one. The same minister is responsible. I have never heard him speak about two for one.

**5 p.m.**

There obviously is a need for a positive government intervention role in the industry of this province. If we look at the auto industry, we can look at the experience of other countries and what government intervention has meant for them in terms of strengthening their parts sector.

We in this country are in danger of losing more and more production to places like Mexico, Argentina and other countries.

**Mr. Breaugh:** We did it this morning.

**Mr. Wildman:** That is right. We did. There is no secret as to why Mexico is the fastest-growing auto jurisdiction in the world. It is because that country has a strategy for investment in the auto industry.

**Mr. Haggerty:** And cheap labour.

**Mr. Wildman:** Certainly they have cheap labour. Labour is cheaper; there is no question about that. But even with cheap labour, they would simply have an assembly operation if they did not have a government regulation requiring

the content in their country. The fact is that parts production in Mexico will grow by 18 to 22 per cent per year between now and 1985, at the same time as we are closing plants and facing more and more unemployment.

In Mexico they have not only content regulation but also ownership regulation. In my view, the example of Mexico shows that government intervention can work, that we are not dependent on the old laissez-faire approach of this minister and that the tired Adam Smith approach to the economy is just something that died in the 19th century and is somehow trying to be revived by the neo-Conservatives such as this minister, who somehow thinks there is some magic in the market system and that if it were left to operate on its own, we would resolve all of our problems through supply and demand.

In our view, the Ontario auto tech centre is not nearly enough. One has only to ask the member for Welland-Thorold (Mr. Swart) about St. Catharines and the experience they have gone through; one has only to ask him whether he believes the auto tech centre is going to produce the economic strategy we need to turn the economy around in that part of Ontario.

**Mr. Swart:** We'll lose 350 jobs today and get 50 jobs five years from now in the auto tech centre.

**Mr. Wildman:** That is quite an exchange: 350 for 50 five years from now.

In our view, the approach in the development of the auto tech centre is not so much an economic strategy by this government or this ministry as a political ploy that was used at the time of the election to try to convince people that they were responding to the problems of the economy but without really doing anything in terms of actually producing jobs.

We remember this minister said at the time of his appointment that his responsibility was jobs, jobs, jobs. For St. Catharines, he is producing 50 jobs in exchange for a loss of 350. Mexico, because of its regulation and because of its positive government intervention, is getting more jobs while we continue to lose. Multinationals will shift their operations around the world as profit requires and as government regulation requires them to do.

We have a minister here who is unwilling to become involved in direct ownership in crown corporations and in direct intervention in that way. At the same time he does not seem willing to stand up and say, in terms of the North American auto industry, that we need content regulation. He talks about it in terms of Japan,

but we have yet to hear from him in terms of General Motors, Chrysler and Ford.

Instead, we see the rather pathetic example of this minister getting up in this House and defending the takeover of White Farm Equipment in Brantford. If that is an attempt to Canadianize industry—

**Hon. Mr. Walker:** Would you have left them out on the street? What was the alternative?

**Mr. Wildman:** The minister says: "Would you have left them out on the street? What was the alternative?" In fact, that is what this minister is saying. This minister, who should be an active, positive force in the economy, is saying that we cannot do anything, that we have to be dependent on foreign ownership to do everything, that we have to sit back and agree with whatever they want because we cannot do anything. He is saying that we are helpless and that nothing can be done in Ontario except through foreign ownership and control. That minister does not have any ideas about what can be done.

**Hon. Mr. Walker:** What purchaser did you find?

**Mr. Samis:** That's your job. That's what you are paid for.

**Mr. Wildman:** Does the minister believe this government's loan guarantee meant anything when it came in?

Interjections.

**The Acting Speaker:** Order. The minister will have his opportunity to respond.

**Mr. Samis:** Who has the floor?

**The Acting Speaker:** The member for Algoma has the floor.

**Hon. Mr. Walker:** No interest in 1,000 people.

**Mr. Wildman:** The minister acquiesces even though it is opposed to the philosophy which he has recounted and which we have referred to in this debate. He acquiesces in the purchase of 25 per cent of an oil company. He states in this House that he supports it because of cabinet solidarity. But when he is faced with the layoff of people in Brantford, he is unable to say that the government may become involved if there is no other buyer; he is unable to say that perhaps Ontario has the guts and the ability to become actively involved in the economy. But no, it is up to TIC Investment Corp. to come in and take over.

This minister has nothing to offer except more and more foreign ownership and control of this economy. If he follows that approach, he is going to lead us all to disaster instead of to



new development and jobs in Ontario. Why can this government not become directly—

**Hon. Mr. Walker:** You would nationalize your mother.

**Mr. Swart:** There is \$650 million for Alberta and unemployment for Ontario.

Interjections.

**The Acting Speaker:** Order. The member for Algoma has the floor.

**Mr. Wildman:** Why does the minister believe that the government can become involved in the oil industry but cannot become involved in the farm equipment industry or directly in the auto industry? Why is that? What is the reason? What kind of blinders does he have on when he says, "It is all right to invest in the oil industry, but we cannot become involved in manufacturing which produces jobs in Ontario"?

The minister would rather have a loan guarantee that was supposed to be related to Canadian ownership and then forget about the Canadian ownership component when he runs into problems, instead of saying, "If we are going to have money involved there, we should become directly involved in the operation."

When there was an emergency debate on the auto industry, this minister got up in this House and tried to persuade us that there were not as many people unemployed now as there were last year. Then he talked about us wanting 900 people out on the street. The minister was willing to ignore a large number of auto workers who are out of work and to say things were not as bad as was said.

Why can the ministry not become directly involved in manufacturing in terms of auto parts? Why can the ministry not have a positive investment role? Why can the minister not take the opportunity our reasoned amendment provides to provide for direct investment and joint ventures in the manufacturing sector in Ontario so we will have jobs in this province in the future?

I think we have a great opportunity to promote research and development and to improve the competitiveness of Ontario industry. We have the opportunity if we want to grasp it. We can stand on our own two feet if we have confidence in ourselves and in the industry and initiative of Ontario.

We can be independent if we wish to be, or we can continue to be dependent on the investment and innovation of foreigners. We can continue, as the minister seems willing to do, saying: "We can't do it. The Premier can't do it. Ontario

can't do it. Maybe the Americans, the Japanese or the multinationals can do it for Ontario."

**Mr. Stokes:** What about the promise?

**Mr. Wildman:** Frankly, that does not leave much promise for Ontario. This government is promising us more of the same, more of the truncated, dependent, branch-plant economy that has led us to the economic precipice we are at now. If this minister is determined to increase foreign investment rather than take the initiative and opportunity to improve the Canadian ownership component of our economy in our manufacturing sector, then he will be shoving us over that precipice.

5:10 p.m.

We believe it is long past time for Ontario to take control of its economic decision making. It is long past the time when we should be depending on New York, Dallas and Atlanta to make the decisions that affect Canadian workers and Ontario workers. We have the opportunity to take control and to do something positive. We believe this minister has an important role to play in that.

We are optimistic about the future of this province. We believe that the government should become directly involved in the economy and that the government should become directly involved in dealing with the very structural problems that this minister, for some reason, refuses to recognize. Why can the minister not acknowledge that one of the reasons for the branch plant closures and the layoffs we experience in this economy is the foreign ownership that he wants to expand.

I have given up on the federal Liberal government doing something about foreign ownership in this country. We have seen, from C. D. Howe and the Second World War until the present, the continual sellout of our economy. The federal government has finally moved to actually do something positive in the resource sector, in terms of getting involved in the oil industry, but the Canadianization that the Minister of Energy referred to today means more and more tax incentives and tax write-offs to American corporations who can somehow make themselves appear to be Canadian. It does not mean control of our economy. It does not mean decision-making here. It just means more and more payouts, more and more incentives to the industry to do what they probably were going to do anyway. Frankly, it has not worked.

If we look at the rest of our economy, we see the percentage of control that is in foreign

hands. Despite the fact that the member for Kitchener-Wilmot (Mr. Sweeney) said he saw that as a major problem, his confrères in Ottawa have been unwilling or unable to deal with it. The Foreign Investment Review Agency has been ineffective; it has not dealt with the problem.

**Mr. Boudria:** Not according to Bill Davis. He thinks it is too effective.

**Mr. Wildman:** That is true; that is what is ironic about this whole thing. We continue to sell out the economy. We continue to be unwilling or unable to stand on our own two feet and to compete in a competitive world. We continue to be dependent on the United States. While we continue to accept applications and to approve 90 per cent of the FIRA applications, we have the ironic situation of this minister and the Premier (Mr. Davis) getting up and saying: "FIRA is a problem. We have to fight FIRA. We have to streamline FIRA. We have to review FIRA."

I see the minister's lackey underneath the balcony shaking his head in approval. I suppose if that is the kind of advice the minister is getting, we have no chance of the minister accepting this very reasonable reasoned amendment.

I just hope the Liberal party will consider the amendment carefully and will support it.

**Hon. Mr. Norton:** Your party hasn't done anything reasonable in this House since you were elected.

**Mr. Wildman:** I beg your pardon?

**The Acting Speaker:** Order.

**Hon. Mr. Norton:** Your party hasn't done anything reasonable in this House ever since you were elected.

**Mr. Breagh:** Drink a little of that Niagara River water. That'll shut you up.

**The Acting Speaker:** Order. The member for Algoma has the floor. These interruptions are not required.

**Mr. Wildman:** One thing I have not referred to, but which the minister has given a great deal of praise to, is the buy-back program and the fact that this minister and this ministry are going to deal with foreign ownership through the buy-back program, which will increase Canadian ownership of our economy. Let us take a look at that program.

The minister has referred to that as a highly successful program. When we look at the first two years of operation of that program, nine

companies were bought at a total financial commitment of \$1.7 million, or an average loan of \$250,000 per acquisition. The minister has said that program has saved 560 jobs in Ontario. The throne speech said that program would be expanded. And in a recent speech, the minister said: "The Ontario budget will provide several job-creating measures. One will be a further refinement of our highly successful foreign subsidiary buy-back program."

When we look at the Ministry of Labour data on layoffs during 1980 and 1981, we see that 51 foreign subsidiaries closed down, resulting in a layoff of 5,801 workers. Frankly, those figures are on the conservative side—small "c" or large "C," whichever you may like—of the calculation, because we do not have reliable reporting practices in terms of determining foreign ownership as it relates to these layoff figures. But when we look at the highly successful program the minister was talking about, it means in essence that through his buy-back program he saved fewer than 10 per cent of the jobs for workers who were being abandoned by their foreign owners over the past two years.

When the select committee on layoffs was meeting and talked to officials of the former Ministry of Industry and Tourism, they said that over the next five to six years more than 2,000 branch plants in Ontario would be considered at risk. They said we could face that many closures. As I said during question period today, at the present rate of the buy-back program it would take more than 400 years to reacquire those companies that are expected to close down over the next five to six years—not the total number of companies that are foreign-owned, as the minister tried to imply in his response to my question during question period, but just those companies that risk closure over the next five to six years. At the present rate, it would take us more than 400 years to deal with that problem, and the minister calls it a highly successful program.

In fact, there is a very low commitment, a lack of commitment, to buy back. If the minister is talking about expanding the program significantly, he is going to have to provide much more in resources to deal with this serious foreign ownership problem through his buy-back program.

It will require an investment of \$500 million over the next five to six years through the buy-back program, or about \$100 million a year, if we are to deal with the problems created by foreign ownership for workers who face layoffs



over those years. I doubt that this ministry or this government will make that kind of commitment in the budget to buy back. That leaves us with the only other option that has been provided by this minister, and that is his dependence on the private sector.

If we look at the Ontario Business News, at the infamous interview where the minister talked about his soft spot for small business, there is no question that small entrepreneurs in this province do need support and assistance, especially in relation to the interest rate policy of the federal government which is killing them in terms of carrying inventory and overhead, operating capital and so on, quite besides expansion.

But if we look at that interview, I wonder what the minister is really proposing in terms of support for the economy, for business in this province. Is he simply dependent on the initiative of the private sector? If he is, we are not going to resolve the problems. Leaving it to the private sector and the multinationals has led us to these problems. To emphasize dependence on the very sectors that have led us to these problems is hardly a solution.

5:20 p.m.

In our view, if creation of employment opportunities is one of the major aims of this new ministry, then it must promote the development of Canadian-owned industry and become actively involved in the development of import replacement. For that reason, we have proposed the reasoned amendment. We must increase the degree of Canadian ownership. We believe the way to do that is through positive investment initiatives by the government. The government should use crown corporations; it should involve itself in joint ventures in those sectors of the economy that it is determined are dominated by imports. We believe we have a great opportunity to do that.

For that reason, I urge the minister and all members of the House to support the amendment. I urge the minister to use his ministry in a direct way to try to start the turnaround of the problems we have experienced in the economy of Ontario. We have the opportunity to do it. Let us get on with the job.

**Mr. Haggerty:** Mr. Speaker, on looking through this bill, one sees that it gives the minister a mandate that perhaps no other ministry in the government has. It gives him rather broad powers. He is almost the creator of the industrial strategy that has been lacking for the past 40 years in this government. I suggest to him

that he could be God if he wanted to implement everything that is in here to support the growth of productivity employment by expanding domestic and international trade, encouraging investment opportunities, strengthening the competitiveness of the industrial base of Ontario, assisting small business development, promoting investment and trade opportunities offered by Ontario and encouraging the introduction of new technologies, products and processes to improve productivity and competitiveness.

I suppose the government members have been listening to the Liberal Party. My colleague, our former Energy critic, was telling the government it must move in a new area of technology and research and development in this area of new energy resources. I do not think this government has moved in that area at all. We could become self-sufficient in this area of energy if the government would encourage more research and development. I think it has failed the people of Ontario in this area.

We have not seen an industrial strategy program come forward from the Conservative government. If there had been, we would not have the unemployment there is now in Ontario, which is at an all-time high. If I can predict the future of Ontario, unless something drastic is done to create new jobs, we are going to be looking at maybe 400,000 people out of work by the end of this year. All the indications in the United States are that the recession is going to continue over there, and it is going to be much more severe here in Ontario.

This government has failed to move to create or even to maintain the present jobs in Ontario. My colleague the member for St. Catharines (Mr. Bradley) talked about the loss of jobs in the automobile industry in the St. Catharines area, which relates to the branch plant economy in the province. There is no direction from this government, or perhaps even from the federal government, in the area of trying to tell these people that they have an obligation in Ontario to secure that.

I was interested in reading a Japan-Canada Trade Council report dated March 1982 about a conference held in Brantford. I will quote Sam Oshi, vice-president of NTN Bearing Manufacturing Canada Ltd. We should listen to this, because the government has failed to look at what has happened in Japan over the years and why it has captured much of the trade in the world. He said:

"The real problem with Canadian industry is the lack of productivity growth. In Japan,



productivity in the manufacturing sector increased by more than 300 per cent between 1960 and 1978. That growth compared to only 80 per cent in the United States during the same period. Some of the benefits derived from this productivity are wage gains, price stability, controlled inflation and an increased standard of living.

"Japan's success is based mainly upon the simple application of appropriate, modern management disciplines and skills which were largely imported from the United States after the Second World War. Japan started out attempting to catch up to western technology and now has advanced to the point at which it is a net exporter of technology.

"Management efficiency is important to the wellbeing of Japanese companies and, because of the lifetime employment system, management cannot use layoff as a tool. It is viewed in Japan that layoff is the last resort, and management is considered to be a failure and incompetent if it resorts to it. Japan's companies also differ from their North American counterparts in the areas of labour-management relationships. Bosses and their employees share the same goals, feeling that they are in the same boat and that together they can succeed and survive."

If we look at the record, the industrial sector in Ontario led in the number of walkouts and strikes in the past 15 or 20 years. That record is not something to be proud of. Among government, management and labour, we seem to put forward an adversary system instead of looking at the end product that will be a benefit to all of us, to labour, management and government.

Looking at the high unemployment in Ontario, I can just imagine the loss of tax revenue this government will be facing. The Treasurer (Mr. F. S. Miller) will be introducing his budget on May 13, and perhaps he will be looking at other areas to regain that lost revenue. The minister of pollution points to elbow lifting. I hope not, as that is high enough as it is. The area we usually hit is tobacco and liquor, and that is one of the cheap ways to go about it.

I am suggesting that there have been good messages sent from Japan over the years. I quoted some of their comments here a few years ago when I was the Labour critic.

**Mr. Kerr:** Cars.

**Mr. Haggerty:** Yes. Cars are an important item. I talked about the layoffs in St. Catharines. Talking about the input of Canadian parts in that car, if you buy a General Motors car today, they do not tell you when we lift the hood that

the motor is built in Japan. The other day a friend of mine was looking at a small half-ton truck put out by General Motors. The minute he lifted up the hood, I said, "That engine is made in Japan." They do not tell us that.

**Mr. Kerr:** Are you happy?

**Mr. Haggerty:** No, I am not happy. The point I am trying to make is that the automobile industry is slipping in many of the heavy labour parts of an automobile, such as the engine, which are manufactured in Japan, Mexico and places like that. I do not think that should be. We should be looking at the same type of agreement that the federal government and the province managed to obtain from Volkswagen; Canadian content will comprise 85 per cent of that car, and that is a good goal we should be looking at. The same thing can apply to General Motors and Ford.

This government has secured backup loans for the automobile industry in Ontario. They have put a substantial amount of money into it, but that will not encourage the sale of new cars. If one talks to the dealers, the Ford and General Motors dealers, the problem is interest rates. I have not talked to a Chrysler dealer, but I suppose the problem is the same.

**5:30 p.m.**

We have talked about the Canada-US auto trade pact. When the Premier (Mr. Davis) was speaking in the northeastern part of the United States not too long ago, he suggested that we should have freer trade with the United States. The US is our biggest trading partner and we should have better ties and a better understanding so that we could share in the labour pool as they do in the European Economic Community. I suggest that is what we should be looking at, but it has to be a fair deal.

If one buys a General Motors car in the United States, it is financed at 12.8 per cent. If one buys that same car in Ontario, it costs about 21 per cent to finance. All one has to do is talk to the dealers. They say they could sell all their cars here, but the consumer is not buying because of the high interest rate. That really strikes home. If we are to have a trade pact with our counterpart in the United States, we must have some equality in the financing arrangements. I suggest that we should be looking for fair competition.

One of the suggestions made at the meeting of the first ministers in February of this year, particularly by the government of the day in its blueprint for economic recovery, was that there



should be fair competition. That is an area that this government and the federal government both should be looking at. Under the auto pact we should be treated the same as our American counterparts in relation to automobile financing. Our buyers should enjoy the same interest rate of 12.8 per cent, not 21 per cent as at present. It seems that we on this side are being used by our American counterparts on the basis of whatever the traffic will bear. That is what has happened in the past. They take advantage of us and say, "We will let our Canadian counterparts pay a higher price for a car."

Before Christmas American television carried ads for cars with rebates of \$500 and \$700. Then they tried it over here about three or four months later. I understand the offer of rebate has been removed today, but the interest rate remains at 21 per cent. I suggest to the minister responsible for this piece of legislation that he should be telling the automobile sector that we will not tolerate this situation and that we must be treated on an equal basis with our American counterparts, particularly as to interest rates on automobile financing. I am sure that people would then be out there buying cars.

This government has forgotten about the consumer. Ontario consumers today have lost confidence in the market. They are still making a dollar but they are saving it. The government has to get them to turn that money around. Until it does that, I do not think it is going to fulfil the purpose of this bill, which is to move ahead and create jobs.

The government has suggested there should be investment by labour, if I am not mistaken in my reading of the report, and that labour should be investing in companies and industry. It is all very well to say that, but there must be some protection for the working man who puts his hard-earned dollars back into the company. Nevertheless, I think the government has an obligation to try that when I look at the economy in Ontario.

Total personal savings of Canadians in chartered banks, trust companies, credit unions and so on amount to about \$181 billion. Total savings in the personal sector for the whole of Canada amount to about \$475 billion. That is quite a nest egg. I look at that and say to myself that if the government really wants to do something it should tap that source.

My colleague the member for Kitchener-Wilmot (Mr. Sweeney) mentioned municipal bonds that could be purchased to help invest in industries and in communities and perhaps

encourage development locally. There is no reason that money source should not be tapped to encourage people to invest in government bonds to be used for whatever purpose they may be required for industrial strategy programs in Ontario.

I have mentioned using the Province of Ontario Savings Office for that area. Perhaps one area that we should be looking at is that through tax incentives we could encourage people to buy government bonds. By tax incentives I would suggest that one way to control the interest rates would be to encourage persons to share in the development of this province and Canada and to say to them, "We will give you reasonable, affordable interest rates for your money, but there will be no taxes paid on it," in order to encourage persons who are saving to invest in this.

If one looks at the track record of Ontario Hydro over the past 10 years, they have gone offshore to borrow money. Today their debt runs to about 10 times what it was back in 1971. It was about \$1.9 billion, while today it runs to close to \$12 billion. Much of that money has been financed through borrowing on the American market. I do not have to tell members what that has cost Canadians, particularly people in this province, with the exchange on the Canadian dollar at almost 20 per cent and the interest there at 18 and 20 per cent. By the time it is paid off, it is costing us almost 40 per cent to borrow on that American market.

I know some of the bond issues have been sold there at 15 or 16 per cent, but I suggest the exchange on that American dollar is killing the productivity of this country, particularly of Ontario. It seems to me that perhaps we are using it as blackmail.

I can go back to the Carter report on taxation and recall some of the comments made then relating to the auto trade pact, saying that if we went to the auto trade pact and went for wage parity the Canadian dollar would have to be reduced in value. We have certainly gone that way; it has been reduced 18 to 20 per cent. It was said then that if the Canadian dollar went down, the interest rates would remain at a stable level. It has not worked that way. I think the forecasting has been away off. The Canadian dollar is down by about 18 to 20 cents and also we have a high interest rate of about 18 to 20 per cent. I think that sometimes we can depend upon the forecasters, but many times they are wrong.

I was interested in the debate the other night relating to the procedural affairs committee.

One of the comments made to that committee, of which I was a member, by one of the senators who appeared before the committee was, "Moses died leaning on his staff." Sometimes we can put too much on our staff and depend on it too much. The minister could be in the driver's seat and leading instead of being pushed by some civil servant. I thought it was a good comment, "Moses died leaning on his staff." This province is dying because we have been misled so many times.

I think of my experience on the Ontario Hydro affairs committee and the wealth of knowledge there that this minister should be looking at. We talk about improvement in the area of skilled trades. This document says they are putting too much onus on the federal government in saying it should be funding more in the area of skilled trades to encourage more people to get into technology and create the jobs that are necessary. For years Ontario Hydro has followed the practice of going offshore to bring in employees in skilled trades to fill the positions in our nuclear and hydro generating plants here in Ontario.

I must tell the minister, because I think it is fair warning to him and perhaps to all of us in the Legislature, that we can no longer look offshore for the skilled trades because they are not over there any more. The demand and the change in the age pattern in Ontario are the same as in Europe. More ageing people will be required to stay in the employment sector, particularly in the skilled trades, because we do not have enough young people being trained in technology in the skilled trades. The experts who appeared before the committee gave a good warning that we no longer can go that route.

5:40 p.m.

This is a worry I talked about in one of my first speeches in the House in 1967 when I spoke about the lack of a good industrial program in the province. There have been a number of people in the Niagara Peninsula who have spent good sums of money to train tool and die makers, machinists and others in the skilled trades, later to be raided by the large automobile industries that take these workers into their plants with large increases in wages.

Many of the small industries, particularly in the Niagara Peninsula, no longer are interested in training people because to train a tool and die maker would cost them about \$22,000. For small businesses, particularly in these trade areas, that is quite a loss to those industries.

The government must have programs such as

the co-op program at Waterloo University. The same thing could be done in our colleges and improved on. In some cases they do have such programs that can work with industry, but industry cannot pick up the whole tab for educating these youngsters. There are many youngsters, handy with their hands, looking for job opportunities without having to have the academics to get them into full employment.

I suggest that is the area we should be looking at with some provincial or federal assistance. I know the federal government has provided funds through the Ministry of Education and Ministry of Colleges and Universities for a massive training program to get these youngsters in. I do not suggest, as in the minister's document, it should be on a seasonal basis. There will have to be a program that is meaningful and worth while so that we will have a continuous flow of skilled trades to fill industry requirements in the area of new technology.

Just a few weeks ago I walked into one of the shops I worked for and I was amazed at the machinery that has been bought by these companies. I guess they are called numerical machines—computer lathes, milling machines and boring machines. The price of them is fantastic. It ranges from \$500,000 to perhaps \$700,000 for one of these machines. They require a skilled programmer plus a person to operate the machine. It is a whole new ball game that has come to machinists in the province of Ontario.

I suppose if I had to go back into that trade, I would have to go back to college to pick up the new skills required. The amount of work and production that comes out of these machines is fantastic. Talk about robots. They are there right now. Where it may take an ordinary machinist three days to turn out a special piece of metal for a certain job, the new machines can turn out 30 pieces in one day. It is too bad some of these machines are not built in Ontario or in Canada.

That is where research and development has been lacking in Canada and particularly in Ontario, the province that led this country to its wealth. People have looked at Ontario as a place of security where they would not be concerned about their job.

I just got word the other day that John Deere Ltd. in Welland cut back on employment. Page-Hersey Works has large layoffs coming up and also the automobile industry. The Niagara Peninsula is hard hit by layoffs. It will be more severe by this summer. It is going to be tough on



those persons who thought this could never happen to them in Ontario. They thought they had security here, but it is not there. People are losing their homes because of the loss of jobs.

I look to the minister for leadership in this area because it has been lacking. I know his predecessor was moving in this direction. I think he had some of the right ideas to create and encourage the development of new jobs and new opportunities in Ontario relating to the small business sector.

Again, the minister is going to have to come up with a program of financing them. Some of the red tape involved in getting a loan from the Ontario Development Corp. is questionable. I have had people in my area who wanted to expand their industry. For example, one of my constituents ran a machine shop. It was a good machine shop and ODC gave him his first loan. He was a proven person and there was no risk involved, but he could not get a loan from ODC. I had a little note from the minister's predecessor which said there would be no problem, he would get the loan, but he never did get it. He went to Ottawa and got the loan through the Small Business Development Corp. at a lower interest rate than he would have received from the bank. That industry now employs 20 to 30 new employees.

I went to one of the minister's chief aides in the peninsula and said to him, "If this is the policy of your ministry, then your job is redundant." There is no need for him to be down in the peninsula if the minister is going to take the attitude that some of them have of saying it is not that depressed. We cannot be that choosy today. Regardless of where the opportunity is, if there is somebody who wants to invest in this province, wants to create some jobs and do something useful, we cannot single him out and say, "Unemployment is not that bad in that area. We will go someplace else and give it there. You do not need help." That is not the way it should operate. We cannot discourage somebody who wants to expand in that particular plant or expand his operations. The minister is going to have to change the whole approach he has taken there and his approach on interest too.

Many people come to me and ask, "Why is it this one can get interest-free loans and I cannot? I have to pay 12.25 per cent and somebody else may pay six per cent." I cannot give them an answer to that, but the government can. I suggest to the minister that is an area he should be looking to for more uniformity in loaning out money. After all, it is taxpayers' money.

I have to question whether he should be giving someone interest-free loans. That is pretty hard to take when other people have to pay 22 per cent to survive under the current economic conditions in Ontario. He should take a good look at that and come up with affordable interest loans for everybody who applies for them. Make it uniform. Make it easier for everybody to get it, not just one or two individuals. Come up with affordable interest rates that everybody in industry can accept.

It is rather difficult under the present circumstances of high interest rates when people are out trying to borrow money. I am sure the minister could improve that area. My colleague the member for Kitchener-Wilmot (Mr. Sweeney) suggested ideas on how one can go out and raise funds for investment purposes to give to the person who wants to invest. As a Canadian, I feel have an obligation to invest back into this country. I have done well and I am sure there are many other persons who feel this way as well.

In the banks, yesterday and today, people are walking in with their little gold books, looking at their returns and their interest money. There is a wealth of capital there if this government wants to get into it and use it right, without going to general revenue and raising taxes across the province so that even the poor have to pay to finance some industries in Ontario through these ODC loans. I think the government is going to have to take a different look. They are not living in the real world today as it relates to the people on the streets who have lost their jobs and are looking for employment.

I know the member for Kitchener-Wilmot will be down in the Niagara Peninsula tomorrow to talk to the many youths who are looking for job opportunities. It is going to be tough in that area. Since I am close to the American border, I know the problem on the other side where industries have gone into receivership, bankruptcy and so on. The same thing is following through here. We are in a tough economic climate. The government has to take some initiative.

**5:50 p.m.**

Through this bill I hope they are going to come up with some good programs to assist people who want to expand small industries and to get out of the branch plant economy. There is a buy-back program in the throne speech. If one reads the early history of Canada, we complained when the British were here. We wanted to kick the British out. In 1903 we came up with

the "buy Canadian" slogan, which is still with us today. Now we want to kick out their American counterparts and say, "We don't need your help here."

If the government wants to take that approach, then it is going to have to ask, "Where are we going to get the capital to buy back these industries?" The answer is it has to come up with a program. The member for Kitchener-Wilmot (Mr. Sweeney) has suggested, and I have suggested, with the wealth of Canadian dollars there are—\$475 billion—we should not have to go offshore to borrow money. There would be no need for it if we had good government management.

I have often said I am liberal with my views but conservative with my money. If I had my way I would not let Ontario Hydro build a plant every time it wanted to, and the same thing applies to its export of energy to the United States. I question that move. It is going to create jobs, but the Ministry of Energy has never said how many new jobs there will be. They are going to be temporary jobs. Probably the cable is not even going to be bought in Canada. I hope I am wrong in that comment.

**Hon. Mr. Walker:** There is no labour in cable.

**Mr. Haggerty:** No cable. Where is the minister's research and development? With all the cable Hydro has strung across this province, is the minister telling me that Hydro has not got research workers down there who could develop this? The same thing relates to the scrubbers that should be put into Nanticoke. We do not have the technology here, yet we have had—

**Hon. Mr. Walker:** Very little manpower is involved.

**Mr. Haggerty:** The minister has a lot to learn about the Minister of the Environment (Mr. Norton). He is all for it. He is spending—

**Hon. Mr. Walker:** That came about entirely—

**The Acting Speaker (Mr. Cousens):** Order.

**Mr. Haggerty:** There is no leadership on the government side at all in this area of research and development. As I said, with all the cable that Hydro has strung across this province there is no reason why it could not have it manufactured in Ontario to its specifications.

**Hon. Mr. Walker:** It's all machine-done.

**Mr. Haggerty:** That's right.

Interjections.

**The Acting Speaker:** The member for Erie has the floor.

**Mr. Haggerty:** There is no guarantee there will be new jobs. What the minister is actually doing is buying the coal from the United States at its price with the exchange on the Canadian dollar, then turning around and exporting clean energy to the US, and dumping all the pollution on the Niagara Peninsula. All the acid rain is going to come into that area. All the minister has to do is look at the mortality rate in the Niagara Peninsula as it relates to air and water pollution. Much of it can be related to previous industries in that area. Now he wants to compound the problem.

There is no guarantee there will be new jobs for Canadians, and I do not think there will be. The life span of that plant is another 20 years and the question is how long the export will be to the United States. The Tennessee Valley Authority has cut back on the new generating plants it was going to build. There is a surplus of power there. I can just see the right-wing American President saying, "Uh, uh, we are not buying from Ontario because we have a surplus here." They can throw it back. There are connecting links either way for this. There is no security that there are going to be long-term jobs. They could cut it off at any time.

I suggest to the minister he should be taking a second look at that and finding out if this is what is going to happen, that we are going to be exporting cheap energy over there and putting people out of work in the industry in the long run over here. The branch-plant industries are going back to the States because they say they can produce cheaper back there. If he is going to send cheap power over there, he will defeat his purpose here. He should take a look at it and find out the end result. I do not think the government or the Ministry of Energy has looked at that particular agreement. I suggest the minister takes a good hard look at it.

I have touched on a few items that were of concern to me. I hope the minister will take a good, hard look at some of the suggestions from the Liberal Party. We have had some good policies on employment strategy and industrial strategy for Ontario. There has been excellent material. It has all been tabled here in the House previously if the minister will move in that direction.

I can tell him he is not living in the real world today as it relates to people out there on the streets without jobs and losing their homes. It is only going to take some individual out there to really stir up the pot. That is what is going to happen if this government and the federal



government do not do something to bring in affordable interest rates so we can get into building houses and high-rise buildings to create jobs. It is not going to take much for somebody out there to do something. They are about ready to pull the trigger right now.

I suggest the minister get out there, talk to these people and find out what is taking place in industry. When they start losing jobs in which they thought they had security, they are looking back at the 1930s. I do not want to see that time again. I thought we would never get into that situation again.

We have a wealth of resources here. There needs to be proper planning by all levels of government. There needs to be a tripartite arrangement among government, management and labour. That is the key to the new bill and should be in it. Consult with labour because it is going to have to be taken into consideration by

the government as to the directions in which we should be heading in the decade of the 1980s.

Japan has done it and its arrangements created an enormous industrial society the workers seem to be content with, but there are problems here in Ontario. We are going to have to move in that direction. It is to be hoped this bill will do it. We support it.

**Mr. Wildman:** Are you in support of the amendment?

**Mr. Haggerty:** When I look at the amendment, as I interpret it, the member wants to hoist the motion. The member has no consideration for the unemployed people out there. I want to give this government the opportunity to come through with this bill, get on with its good intentions and let us get the jobs created. I support the minister on that.

The House recessed at 6 p.m.

#### ERRATUM

No.	Page	Column	Line	Should read:
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No. 41

LEGISLATIVE ASSEMBLY

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, May 4, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, May 4, 1982

The House resumed at 8:19 p.m.

## MINISTRY OF INDUSTRY AND TRADE ACT (continued)

Resuming the debate on the motion for second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Mr. Laughren:** Mr. Speaker, I wonder if I could seek a ruling from you before I start. Is it unparliamentary to accuse a minister of the crown of plagiarism?

**The Deputy Speaker:** Under standing orders, I do not think section 19 or any those subsections would apply to plagiarism. What did you have in mind?

**Mr. Laughren:** Mr. Speaker, I just spent the last half hour or so at the annual meeting of the Ontario Mining Association where the new minister—the minister designate, as it were—was giving a speech to the association in which he talked about mining machinery.

Every argument we have made on this side for the last 10 years, and probably before that, was played back to us by the minister. It was truly remarkable.

In years gone by when we have talked about the import penetration of mining machinery, the Tories on that side all said: "Oh, well. That is the free market system. We cannot do anything about that." We said to them: "It is not a question of profitability. The market is there." They said: "Do not be silly. If the market was there and it was profitable, the private sector would do it and keep the state out of mining machinery."

What did the minister say tonight? He said: "It is simply a question of capital investment availability. It has nothing to do with profitability because the profits are there." Isn't that remarkable?

Then the minister said, "We are going to establish a resources machinery development centre in Sudbury and there have been some concerns expressed among you." He was speaking to the mining association. I doubt he was really speaking to the mining association, he was speaking to the member for Nipissing (Mr. Harris) who seems to think that despite the enormous import penetration of the market by

American mining machinery companies and others, there is not enough room for a complex being built by Inco, Noranda and others, with help from the federal and provincial governments.

That is exactly what the minister was saying—

**Hon. Mr. Walker:** That is not what I said.

**Mr. Laughren:** If I am wrong, I hope the minister will correct me. It really is ludicrous for anyone to pretend that there is a danger of any kind of mining machinery operation in Sudbury taking away from the competitiveness of Jarvis Clark Co. Ltd. in North Bay. That really is a silly argument to make. There is more than enough for everybody.

The minister used figures; I wrote them on the back of my card. He said that between 1975 and 1980, import penetration had moved from 69 per cent to 79 per cent. I believe those were the precise figures he used.

When we used those figures a couple of years ago, those people said our figures were wrong. Where did they get their new figures? It would be very interesting to know whether they got their accurate figures from the same place we got our accurate figures, namely Statistics Canada. I suspect that is what they did.

Here is the minister, on the road to Damascus I suppose, telling the Ontario Mining Association that he is all in favour of free enterprise. He wants the government to stand back and let free enterprise do what it does best with one proviso.

I made the mistake at one time of studying economics. One thing I was always told was that the reason profits could be justified in a system was because of the element of risk. What justifies profits is the element of risk. What does the minister say to them tonight? He says, "We believe the government must stand back and let free enterprise do what it does best, but we are going to co-invest and reduce your risk." That is what the minister said.

One minute, out of one side of his mouth, the minister is talking about letting free enterprise flex its muscles and solve the economic problems of our times, while out of the other side of his mouth he is saying, "We are going to co-invest and we are going to help reduce your risk." My goodness, that is truly a remarkable performance on the part of the minister.



**Mr. Wildman:** Socializing costs.

**Mr. Laughren:** Yes, I suppose one could say it is socializing costs. It is the old story of socialism for the rich and free enterprise for the poor, I suppose. Certainly if one wants to ask the workers who get laid off in the one-industry mining communities, that is what they will tell you.

I am going to talk more about mining machinery in a few moments, but first I want to address myself to the bill and to the amendments put by my colleague the member for Algoma (Mr. Wildman).

I thought the remarks of the member for Algoma during his leadoff really said a great deal. I fully expect that within the next 10 years everything the member for Algoma has said will be repeated by the minister-designate for Industry and Trade as he finds out the wisdom that really does lie on this side of the House.

The reasoned amendment put by my colleague addresses the two major problems of industry in Ontario: first, the tremendous amount of foreign ownership of our economy; second, the amount of import penetration in very key sectors. Mining machinery is just one, but that certainly is one of the very key sectors. There is no question whatsoever of the relationship between foreign ownership and the underdevelopment of those key sectors.

It was really enlightening to hear the minister say in his speech this evening that the underdeveloped countries of this world would envy Ontario. Is that not remarkable? I believe his precise words were, "The riches of Ontario would be the envy of the underdeveloped countries of the world."

I think we have sunk to a new low when we say that in Ontario we are better off than the underdeveloped part of the world. That really is a new beginning in Tory economic theory. I suppose if one starts from the bottom, if one uses the Third World as a benchmark, one can make some pretty glowing statements about Ontario. As time goes on, I guess we are going to hear that increasingly from the various ministers on the other side.

Unless what is contained in our reasoned amendment put by my colleague is implemented in the new ministry, then all they are really doing on that side is shuffling bureaucrats. They are not going to do anything to solve the structural problems of industry in Ontario. We on this side are not interested in an act of voyeurism as we watch them shuffle their top bureaucrats. That is a silly exercise which serves

no purpose. We are not interested in that. We are not interested in them finding an easy way to shift the Minister of Tourism and Recreation (Mr. Baetz) around. We are not interested in them giving a platform for the new minister and his Reaganomic philosophy. That is not what we on this side are here for.

We really believe that unless these two principles contained in our reasoned amendment are embodied in the new ministry it makes no sense for them to be shuffling the ministries around the way they are doing.

When the minister responds some day I would like him to tell us what the advantages are. What is going to change? Just calling a ministry Industry and Trade is not going to solve the structural problems out there in Ontario. It simply will not happen. Oh, I know they will have some happy bureaucrats who now will get promoted because of a new ministry. What is that going to do for unemployment in Ontario? What is that going to do to replace imports in this province?

The rhetoric in this bill is pretty hollow. Unless we do implement these principles which are in the reasoned amendment, section 3 of the bill really does not address itself to anything except platitudes. That is all they are going to have in that ministry. They will go around making their speeches, but they will not be doing anything serious about solving our economic problems, and the potential is there.

**8:30 p.m.**

The new minister has established his reputation as the Milton Friedman of the north. If he is going to continue with that—by the way, how are the videotapes? Are they good?

**Hon. Mr. Walker:** I'd like to supply them to your caucus.

**Mr. Laughren:** Wasn't that Milton Friedman and his supply-side economics?

**Mr. Cassidy:** Did the taxpayers pay for those?

**Mr. Laughren:** Oh yes, you can be sure the taxpayers paid for those.

I think it is time the people in Ontario ask for whom they toil. For whom do we toil in this province? Is it for the banks? Is it for the multinational enterprises? Who is it for? What can we say to the working people of this province? How can we say to them, "Take pride in what you are building, take pride in what you are doing"? I can think of no way the minister is going to build that into our society unless he is able to say to the people out there, "We are going to take our economy sector by sector and

rebuild it so that in the future we are not faced with the kind of despair that is out there now in key sectors." Taking auto parts as an example, we simply have to do more than we have done in the past.

I believe the potential is there for government to turn things around. I do not despair of that. Let me make it perfectly clear that New Democrats believe it will take a healthy private sector to provide the kind of health and social services we feel so strongly about.

**Mr. Mancini:** That's the first time you have ever said that.

**Mr. Laughren:** It is certainly not the first time I have said that.

**Mr. Mancini:** It's the first time you have had your earmuffs off.

**Mr. Laughren:** Perhaps I need to educate the Liberal caucus. What is so difficult for the Liberals to understand is a spokesperson for any political party standing up and saying unequivocally what he or she believes in. The Liberal Party has difficulty understanding that.

When we form the government in this province, we are going to set about in a very serious way rebuilding key sectors of the economy. Let it be perfectly clear that we have always stated, as we state now, that we believe in collective intervention in the Ontario economy to rebuild it and to guarantee employment and a decent standard of living for all Ontario citizens. We do not believe we need to suffer through the high unemployment we are suffering through now. We believe that can be turned around with selective intervention on the part of government.

The Minister of Industry and Trade does not even believe there should be a mixed economy. He says on one hand, "Stand back and let free enterprise do what it wants," and the next minute he is funding \$20 million for a resources machinery development centre in Sudbury. Who is talking out of both sides of his mouth? Obviously, the Minister of Industry and Trade.

We would not allow those key high-technology sectors to wind down the way he has allowed them to wind down. All the signs have been there for a number of years now that we were in serious difficulty with our auto parts sector. All the signs were there, all the data were there. He had prodding from this side, and he sat back and let what he regards as the inevitable happen. That is what he did. He had all sorts of warnings, and when he does intervene it is too little and too late.

He cannot direct an economy that way. The day is gone when the Boy Scouts opposite can sit there and think the equity in the marketplace will resolve things in our favour. That is never going to happen, yet they seem to think it is still possible. When I think of us having an auto parts sector in such great difficulty, when I think of us having those enormous deficits in food processing—we are an agricultural-based economy, yet we have enormous deficits in food processing—I hope the minister will address himself to those problems when he responds.

We have enormous potential in machinery, but what is the minister doing about it? Zero. When I see what is allowed to happen in those key sectors, I know there is really no commitment. They are shuffling around their top bureaucrats in the hope they will give the impression that something really is happening.

We happen to believe that there are opportunities out there; that in a funny kind of way the various problems we have represent opportunities as well. For example, the very fact that we have the problem of deficits in the auto parts and mining machinery areas means there is enormous opportunity to replace those imports, to create employment in those areas and to create high-technology employment—employment that will stand us in good stead not just in the short term but in the long term as well.

When we talk about import replacement, that is a trade strategy, a very precise trade strategy, and I hope the minister will take it seriously. The research we had done in 1979 showed that if we could have replaced all those imports—and nobody is saying all imports can be replaced—it would have represented about 400,000 jobs; in 1982, it probably would be 500,000 jobs.

Even if only 50 per cent of those imports were replaced, and there are some sectors where we should be able to replace more than 50 per cent, one is talking about 250,000 jobs in direct employment in import replacement alone. If one takes into consideration that the spinoff factor is two for one in manufacturing, then we are talking about three times that—more than the number of unemployed we have in this province. We are not even beginning to tap the potential for employment in those key sectors.

Every \$1 billion worth of imports represents 16,000 jobs. Every \$1 billion worth of imports represents \$259 million in lost wages, \$16 million in federal and provincial corporation taxes and \$32 million in provincial and federal income tax. The potential for import replacement does not lie just in the creation of jobs. It involves



tremendous amounts of revenue for Ontario and for the federal government as well. That potential for income for government to provide needed services and to create employment is very great.

A month or so ago one of the Conservative members stood up and tried to make a speech about the Canadarm, which is on the space shuttle. I thought it remarkable to want to make a lot of noise about that attachment to an American space shuttle when we are unable to produce auto parts to put together a car in this province. It is a ludicrous situation.

**Mr. Stokes:** What about Telidon?

**Mr. Laughren:** Telidon is the same. It is ridiculous, the way we have allowed that whole sector to degenerate. It is ironic that the government will buy itself a jet—I do not want to get into that; others can do a better job with that than I—but we cannot buy a Canadian car. We are into high technology with de Havilland, which builds aeroplanes, but we do not build cars.

South Korea builds a car called the Pony. They have targeted the auto industry as a key sector, and last year there were some 120,000 Ponys produced in South Korea. Their target for 1986 is to have one million Ponys produced in South Korea.

**8:40 p.m.**

Between 1981 and 1986, we expect a decline in the production of automobiles in Canada. But here we have South Korea, which has been in car production for five years, which will outproduce us within five years when we have been in the car business for 60 years. How does that make the minister feel? South Korea in five years will produce more automobiles than we will produce, despite the fact we have been producing automobiles in this province for 60 years.

**Hon. Mr. Ashe:** We'll buy you a ticket to South Korea. When do you want to go?

**Mr. Laughren:** That is a really class suggestion.

**Mr. Stokes:** That's a real contribution. We are going to stay and fight. If the minister wants to go, he can go. We are going to stay and put it right.

**Mr. Wildman:** The minister doesn't seem to care.

**Mr. Laughren:** I hope the minister designate will tell us how he feels about having a country like South Korea eclipse us. It will have been in

business for about five years, we have been in the business of producing automobiles for 60 years, and it is going to surpass us. That is a ludicrous situation.

We have been trying to tell the minister for a long time that we need to rebuild the auto parts sector. We said many years ago that we should be renegotiating the auto pact. This government took no initiative in doing that, absolutely none. We tried to tell the minister and his colleagues that we were not getting our fair share of high-technology jobs. We told them we were not getting our share of research and development or of new capital investment, which means jobs in the future.

This government stood back and did not want to get involved in the auto parts sector. It said, "That is really a federal responsibility." When this government does get involved, it is too little, too late. It throws money at the private sector and it is too late to solve the problem.

We should be targeting auto parts even today. Auto parts should be a targeted sector just the way South Korea said it would target autos as a key sector and make sure it succeeded. We should be doing that. We should have done it before. We should be doing it now, but the government is not doing it in a serious way. We should be able to produce the auto parts we are now importing. It could be the high-tech auto parts; the electronic components, for example. It could be engine production. It will not be given to us if we sit here like Boy Scouts and try to play that kind of civilized game.

The Ontario government's own reports said a long time ago that we were in serious trouble, but the government simply would not act on them. On this side, we are saying it is long overdue, that we should be looking at the auto parts sector in such a way that we make a mix of components that some day will give us the option of building our own Canadian cars.

Nobody is pretending we can go out right now and build a Canadian car—no one I know of, except perhaps Jim Coutts, the Liberal who wants to win in Spadina. We cannot go out there at this point and build a Canadian car. But if we were to structure our auto parts sector in such a way that we had the option of building our own cars, then at least we would have some leverage in the marketplace. As long as we are not even building the right mix of components to allow us to build a car, we have no leverage with any producer.

I am unhappy with the way the Ontario government is automatically attacking Japanese

producers and ignoring the serious problem with American producers, which is really the source of our problem. I understand it is easier to attack the Japanese producers, but that is not where the real problem is.

I know it is somewhat visionary to talk about having a mix of auto parts components that would allow us to build our own cars but, for a change, I see nothing wrong with having a vision that would put us in the forefront of technological development, not just in Canada but around the world. We are obviously going to need content legislation before that ever happens.

We had a trade deficit of \$1.9 billion on auto parts last year. That is an enormous potential to turn around. That is one of the sectors. There are other sectors, such as food supplies, which I have mentioned.

When one examines the deficits we face in this province, what one invariably comes across is that if it is low technology and resource-oriented, we have a surplus; if it is high technology and has a high manufacturing component, we have a deficit. There are very few exceptions to that. There are a few exceptions but not very many.

There is an enormous deficit in textiles, for example. Machinery had a \$5.6-billion deficit in 1981; that is 92 per cent more than just five years earlier. Equipment and tools had a \$7.1-billion deficit in 1981; the deficit increased by 125 per cent from 1976. Those are the kinds of enormous deficits we are facing.

The minister designate said in his speech tonight at the Ontario Mining Association that what concerned him about the mining machinery deficits was that they were increasing. Well, I will be darned. The minister has stumbled upon StatsCan figures we have been ramming down his throat for the past 10 years, and he reveals it as though it is news at the OMA dinner. He has known that for a long time, and he has sat on his hands for a long time. There is enormous opportunity there, and the minister seems to think it just will not work.

I cannot leave the subject of mining machinery without making reference to the member for Nipissing, who stood in his place in this chamber last week and questioned the minister about the wisdom of putting money into a machinery operation in Sudbury while there were layoffs at Jarvis Clark in North Bay. I could not believe what I was hearing.

I picked up a document from 1979, entitled The Mining Association of Canada Study on Canadian Content of Equipment Currently in

Use in Mining Operations in Canada, to refresh my memory on what it is we need to build here in this province. The Mining Association of Canada broke down the mining machinery industry into a number of components and said, "These are the deficiencies in domestic capability"—in other words, what we could be producing here: import replacement.

I wish the member for Nipissing were here to hear some of the opportunities that exist. Let me quote them:

"Open-pit equipment: large rotary drill rigs, large rotary drill bits, large mobile cranes, tracked and rubber-tired dozers, large front-end loaders, large electric and diesel shovels, draglines, oversized tires, pumps, rock breakers and crane feeders.

"Underground equipment: long-hole drills, loaders, mucking machines, mine trolleys and locomotives, pumps, rock breakers, diesel generators, lamps and hoists.

"Open-pit and underground mills and concentrator equipment: impactors, gear drives, sieves, classifier screens, disc filters, cyclones, spirals, dryers, control laboratory equipment, instrumentation equipment, weigh balance equipment, pumps, bearings, car dumpers and couplings."

**Mr. Piché:** Floyd, are you going to be much longer?

**Mr. Laughren:** I have just begun. "Smelter equipment: converters, electrostatic precipitators, casting machines, fans, scrubbers, instrumentation equipment, drumming equipment and sampling equipment."

**Mr. Piché:** You might as well read the telephone book.

**Mr. Stokes:** What's bothering you, Dash? You've heard of Rip? We've got our Dash.

**Mr. Piché:** Who said that? I want his name in full.

8:50 p.m.

**Mr. Laughren:** I must continue. It is obvious that despite all the available information, the member for Nipissing is still undermining any attempts his own government makes to improve import replacement in Ontario. He still does not understand that, and I am going to do my part to educate him. With refinery equipment, these are some of the opportunities—

**Hon. Mr. Walker:** You are misreading the whole picture.

**Mr. Laughren:** No, I am not misreading what he is saying. I heard him very clearly. Perhaps



the minister will be able to enlighten us in his remarks.

The point is that for a long time the economy of northern Ontario has been resource-based; it has not been diversified. When, finally, with turtle-like speed we get the government to put something in place in Sudbury related to the mining industry, but which at the same time would diversify it, we get a Conservative back-bencher undermining that attempt. We think that is not proper.

**Hon. Mr. Walker:** That is not the case, and the honourable member knows it.

**Mr. Laughren:** It certainly is. That is exactly what the member for Nipissing was saying. I heard him very clearly, because I ended up getting in on the same question. He said, "We do not want you to put money into an operation in Sudbury if it is going to cause layoffs in North Bay."

**Hon. Mr. Walker:** On a point of clarification, Mr. Speaker—

**The Deputy Speaker:** The minister has a point of order. What is a point of clarification? I would like to know that.

**Hon. Mr. Walker:** I am rising to the defence of the member for Nipissing. Mr. Speaker, you must appreciate that I was the person to whom the question was addressed. I have to say that he was not imputing anything that the member for Nickel Belt has been suggesting. He was merely seeking clarification, which he achieved from me, and the process of the discussion was slightly clouded afterwards by the member for Nickel Belt.

**Mr. Laughren:** Was that a legitimate point of order, Mr. Speaker?

**The Deputy Speaker:** No, it was not. He was totally out of order.

**Mr. Laughren:** I will re-emphasize it. What the member for Nipissing was saying was that, despite the fact that layoffs had already occurred at Jarvis Clark in North Bay, he was worried that a future development in Sudbury would have a detrimental effect on employment in North Bay. One really has to have a strange imagination to come to that conclusion.

**Mr. Stokes:** It is called provincialism.

**Mr. Laughren:** Provincialism or parochialism.

What he was really trying to do was to say to his constituents in North Bay: "I do not like these layoffs, and I am going to try to do something about them. If we can blame those

rascals in Sudbury, we will do it." What a shoddy way of trying to rebuild and diversify the economy of northern Ontario.

Many members from northern Ontario, even some on the government side, have been arguing for a long time that there needs to be more industrial development in the north. For a member like that to come in a year after he gets in here and undermine a project which for the first time shows some potential of developing a mining machinery industry in the north is absolutely ridiculous. I hope the member is able to justify his stand in the months and years to come. He has some answering to do.

When that story came out in Sudbury, people were asking me what kind of game was being played by the Conservatives.

**Mr. Martel:** Oh, yes. Kill the mining industry in the north.

**Mr. Laughren:** My friend the member for Sudbury East knows better than to interrupt me, because I know how to deal with these things.

I said to the people of Sudbury that they must understand Conservative philosophy: what it involves is that it does not matter what one attacks in some other part of the province.

Interjections.

**Mr. Laughren:** I want the member for Cochrane North (Mr. Piché) to hear this.

**Mr. Martel:** It will do him good.

**The Deputy Speaker:** Order, please. The members will all have an opportunity to participate in this debate.

**Mr. Laughren:** We in northern Ontario are getting weary of hearing Conservative members from the north attack other parts of the province as though they were not also governed by a Conservative government, in the hopes that they are going to pacify their own constituents because of bad government policy.

What the member for Nipissing has tried to do is to say, "Despite the fact that the government is not doing anything to solve the problem in North Bay, do not blame the government; blame Sudbury." That is a shabby political technique.

**The Deputy Speaker:** Speaking to the bill.

**Mr. Laughren:** Speaking to the bill, well—

**Mr. Mackenzie:** The member for Oxford (Mr. Treleaven) is more honest. He just does not bring the message back.

**Mr. Laughren:** That is right. While I am going on mining machinery, this minister's predecessor, now the Minister of Health (Mr. Gross-

man), announced \$20 million to fund a resources machinery development centre in Sudbury. It was to be a completely public sector initiative. He came to Sudbury with a great deal of fanfare. There was a great deal of handclapping to welcome him. There was also some demonstration opposing him, but nevertheless there was handclapping. There were quite a few Conservatives at the luncheon.

The people in Sudbury had a great deal of hope for the resources machinery development centre, because it was felt that if we could get a proper research and development centre in Sudbury it could be the focus for the building of a really large machinery equipment manufacturing centre in Sudbury some day, not just for the mining industry in Sudbury but for the Canadian mining industry and for the export market as well, the way Jarvis Clark has done it.

Jarvis Clark has really crashed into export markets in a very impressive way; there is no reason why we could not build on that, given the very natural and great laboratory we have, not just in Sudbury but in other parts of Canada as well.

I hope the minister has seen the consultant's report that was forwarded to him, I presume, on this resources machinery development centre. What it calls for is a 10,000-square-foot centre which, in the first place, is a remarkably small centre if it is going to be a development centre for resources machinery, not just for mining but for forestry as well. It calls for a staff that has absolutely no scientists on it. That is the recommendation of the consultants. We do not see how we can have a proper scientific development centre with that kind of operation.

Also, in all probability it is going to be located close to the science centre developed in Sudbury. We are very worried that this centre is going to become more of a marketing operation than a true research development centre. If it is not attached to the university, if it has no scientists in it, if it is next door to a tourist operation, we think it is suspect. It pains me to say that, because we have been a very big supporter of the resources machinery development centre. We have been calling for it for a long time.

When we see plans like that under way we get very nervous, because we believe that resources development centre should be attached, if not physically at least in spirit, to Laurentian University, where we have a growing engineering department and a business department. There is enormous potential for linking that develop-

ment centre with the university. It would be a very nice link, quite frankly, between the university and the community, a link that has been lacking in years gone by.

We do not like what we see in the consultants' recommendations on the resources machinery development centre. The minister should take a very serious look at what has been recommended by those consultants. We think he could be heading in the wrong direction.

**9 p.m.**

We do not want some kind of glossy marketing operation. We want a serious effort at building a resources machinery industry in this province—a really serious one. With 10,000 square feet, the minister cannot possibly have laboratories or testing equipment. He is simply going to have some marketing hotshots. Much of the work they will be doing will already have been done by people like the federal government, by the Mining Association of Canada or by the Department of Energy, Mines and Resources, but the government will sit there and take credit for having taken an initiative on mining machinery. I suppose it has, but it is not the kind of initiative it should be taking.

Rather than throwing money into these half-hearted enterprises, it would be better to go into an enterprise with a full commitment to doing what is right and what really must be done. I am very nervous that that is not what is going to happen in this case. I would be very happy to be told by the minister designate that I am all wrong and that this is going to be a serious effort in research and development for resources machinery. But from what I have seen in the consultants' report, that is not what is going to happen.

There has been a great deal of goodwill around that centre up to this point and a great deal of goodwill around the initiatives shown by Inco, Noranda and such companies, with the federal and provincial governments, we hope, to develop mining machinery. But the government is going to run out of goodwill if it is playing some kind of pea-under-the-shell game with the resources machinery development centre. It has raised expectations in the Sudbury community about that centre. I believe people will be somewhat intolerant of the government if it is playing some kind of public relations game. We would be the first to bail out of it if that is what it is trying to do.

We on this side believe that the reasoned amendment put by my colleague the member for Algoma would make this a bill worthy of



support at this point. The reasoned amendment embodies rebuilding key sectors and reducing reliance on foreign ownership, so that we can start on the path to an economic recovery we can all be proud of because it is using Ontario people and Ontario initiatives to get us to a point where we are not reliant on others for virtually everything of a high-technology nature.

It is no coincidence that last year in this country we had a deficit in manufacturing goods of \$21 billion and no coincidence that that happened while Ontario, which is the manufacturing heartland of this country, is going through an economic decline. If Ontario was still at the forefront of manufacturing the way it should be, we would not be faced with that enormous and disgraceful deficit in manufactured goods.

I would encourage the Conservative and Liberal members to look seriously at our reasoned amendment. The word "reasoned" is most appropriate in this case because it gives this minister and his ministry an opportunity to do something meaningful for a change.

**The Deputy Speaker:** To refresh everyone's memory, we are dealing with Bill 38, An Act to establish the Ministry of Industry and Trade, and the motion of a reasoned amendment put forward by the member for Algoma.

**Mr. Nixon:** Mr. Speaker, I think I have already indicated to you my view that the Ontario cabinet is too large. I simply draw to your attention that the last Liberal ministry had, I believe, 10 cabinet ministers and it ran the province very efficiently and effectively in those days.

Before one talks about growth and that sort of thing, one must remember that the cabinet of the United States in Washington has only 10 or 11 members. The cabinet of the United Kingdom is equally small, although, like the Tories here in Queen's Park, they are getting wreath upon wreath of ancillary lesser ministers so that almost everybody in the huge Tory caucus gets the extra bucks that keep him loyal in times of stress and strain.

I believe this particular ministry could very well be the most important one in these days. I am particularly interested in one section of the bill, if I could be permitted just to refer to subsection 8(1). It says: "The minister, with the approval of the Lieutenant Governor in Council, may approve any area in Ontario that is considered to require assistance to attract industrial development as an area of equalization of industrial opportunity."

The concept of designation of areas for

equalization of industrial opportunity is something we will hear, or certainly should hear, a good deal about in the future. The member for Brantford (Mr. Gillies), who was dozing in the back row until a moment ago, and I come from an area which has already been designated by the government of Canada under its industry and labour adjustment program. The minister is aware that, unlike the Board of Industrial Leadership and Development program and so on, ILAP does not have that catchy connotation of a political sense.

The federal government, eschewing that sort of political approach to these significant national programs, allocates dollars instead of baloney to a program designed to assist those areas of Canada which, through no fault of their own, find themselves with an extraordinarily high unemployment rate or, because of a commitment to a specific industry, find themselves in economic doldrums which are significantly greater than those of the surrounding communities.

A good deal has been said about the Brantford situation. You might be interested to know, Mr. Speaker, although the member for Brantford frequently forgets, that I have the honour to represent a part of that great city myself. When the member for Brantford undertook to delay the announcement of the decision of the appeal beyond the Ontario Municipal Board to the Ontario cabinet, when he undertook to delay that announcement so that he could deliver it personally in the city of Brantford, he did not undertake to convey an invitation to his fellow member from that area.

**Mr. Gillies:** Mr. Speaker, on a point of privilege: The member for Brant-Oxford-Norfolk, for whom I have an enormous amount of respect, as he knows, and who has graced this chamber for very many years with his superior parliamentary knowledge, would certainly know that the reason the decision on the OMB in the case of the cabinet decision on Monday was delayed until Monday was not so that I could make any announcement; it was so that the people primarily interested in that decision could be notified personally by mail of the decision before they read it in the press.

I am sure the honourable member opposite would not want people to be subjected to that type of notification and I am sure he would be very supportive of the fact that the announcement was delayed suitably.

**Mr. Di Santo:** Mr. Speaker, on the point of privilege: I think the member for Brant-Oxford-Norfolk was in error when he said that the

member for Brantford took the unusual step of delaying the announcement. Actually, that was very usual and very Tory, Mr. Speaker.

**Mr. Nixon:** The member for Downsview is correct. I thought that the Tories had stopped doing that about the time Howard Ferguson passed on to his reward, but there seems to be a resurgence of that basic approach to politics.

The member for Brantford said it had been delayed so he could make the announcement from the mayor's office in the city hall of Brantford so that those associated with the matter could be informed. As a member for a section of Brantford myself who stood for election and defeated the Tory opponent, one would think that since the people had elected me, I had been designated as the person with some special interest in that, but I was not one of the ones informed.

**9:10 p.m.**

I do not like to crab about that. I did not complain when the member for Brantford wandered out to the great village of Burford to present some footling prize for health or something on behalf of the Minister of Health. I did not complain too much when my somnambulant friend in the front row, the minister of highways, decided to let contracts for the extension of Highway 403, which is entirely in my constituency, and it was the member for Brantford who made the announcement. What sort of baloney is that? I have a feeling that the member for Brantford, who probably even commands a few Liberal votes in that city—

**Hon. Mr. Snow:** Mr. Speaker, on a point of order—

**Mr. Nixon:** Oh, boy, he finally woke up.

**The Deputy Speaker:** We are due for a point of order.

**Hon. Mr. Snow:** —I would bring to the member's attention the fact that I signed letters to both honourable members within two seconds of each other advising them of the award of that contract. I cannot be responsible for who gets his mail first and who makes the announcement.

**Mr. Nixon:** No, but so the minister of highways is aware of what I speak, when the press release—

**Hon. Mr. Snow:** On another point of order, Mr. Speaker: The member for Brant-Oxford-Norfolk, with all his experience in this House that the member for Brantford spoke about,

should know that there has not been a minister of highways in Ontario for 10 years.

**Mr. Roy:** There should be. That is the problem.

**Mr. Nixon:** As a matter of fact, there was a time when the Minister of Highways was probably, next to the Premier, the most significant member in the front benches. He probably had the ability in those days to direct the development of the province, more so even than the minister of industry.

Back in the days when Highway 401 and Highway 400, the arteries of trade and development, were first being built the Minister of Highways had some clout. He did not sit at the end of the bench half asleep while his betters made the decisions for the rest of the province. He was in there giving the sorts of directions that gave the province the buoyant economy that really maintained the Tories in power for probably the first 30 of the 40 years of their existence. Now that he has been downgraded by the powers that be, it is an indication that the development of the province has fallen on evil days indeed.

I know, Mr. Speaker, you do not want me to continue on this line, but I felt that I should bring that to your attention and to the attention of the member for Brantford, the sort of ancillary minister who every now and then offers me a ride in a government car when he wants to whip back to Toronto in a hurry, and if not that, in his own car, which I will not describe more fully at this time. He is a grand fellow, but my advice to him—he is going to tell you what kind of car it is.

**The Deputy Speaker:** Is there a point of trouble here?

**Mr. Gillies:** Mr. Speaker, the member already knows the kind of car I drive. I have only ever offered him a ride in my car, never in a government car.

After a year here, and having read many learned works, one by the member for York South (Mr. MacDonald) and some by others on the politics of Ontario, I have finally decided for myself on the major difference among the three parties. The members of the New Democratic Party oppose, the members of the Progressive Conservative Party govern, and the members of the Liberal Party want to oppose Monday to Friday and make government announcements on Saturday and Sunday.

**Mr. Nixon:** If that suits the member, I guess



that is all right. There is nothing the matter with that.

**Mr. MacDonald:** He did not get that out of a learned book, I can assure him.

**Mr. Nixon:** Nobody read past the preface anyway.

I do want say something about the section of the bill that I read a few moments ago, which allows the minister to designate areas of equalization of industrial opportunity. I do believe that it is essential that an approach such as that envisaged be worked at in close co-operation with the government of Canada and the municipalities concerned. The minister must surely have learned one lesson already in his brief tenure in this portfolio, namely, that is that it is far better to work in close co-operation with his opposite number in the government of Canada than to work against him.

I would think that Mr. Gray, the minister concerned, must believe the same thing. The two ministers who share a responsibility which is so important to us for industrial and economic development must work together so that our resources can work in concert for the benefit of those areas which need the help that is going to be provided from our very scarce tax dollars in this allocation.

So far nothing has been said, except a brief reference in the speech from the throne, about the designation that is permitted if this bill goes into law, as we expect it will. I hope the minister in his remarks will give us some indication of what he intends to do in this connection, because undoubtedly when the Treasurer (Mr. F. S. Miller) brings down his budget a week and a half from now, there will be an allocation of some considerable chunk of money designed to improve job opportunities in places such as Brantford.

This is an area we are going to examine very carefully because it is essential. The government of Canada, with moneys provided by the Parliament of Canada, has seen fit to make this designation to assist job opportunities in Brantford and Brant county, and there is no doubt that this should be substantially supported by programs at the provincial level.

I look at the considered amendment and I must say I like parts of it very much indeed. However, as I am sure you are aware, Mr. Speaker, by putting forward a considered amendment of this type, when the debate finally comes to an end and the question is put, "Shall the bill now be read a second time?" the New Democratic Party will be voting no.

That is the problem with a considered amendment. They have to go around explaining why they vote no, because presumably with the Conservatives supporting their own legislation and with the Liberals—enthusiastically from my point of view—in support of a concentration of effort in this connection, the bill will carry and the NDP will be left as usual out in the cold voting against the only provincial program that is designed to improve job opportunities in the province.

**The Deputy Speaker:** The member for Nickel Belt on a point of order.

**Mr. Laughren:** It is really a point of privilege, Mr. Speaker. I might even want to correct the record. The reason we are opposed to this bill in its present form is that we have been convinced by the Liberals that there are already too many ministries in the Ontario government.

**The Deputy Speaker:** That is a funny point of privilege.

**Mr. Nixon:** I would not worry about his concept, but it worries me very much that the member for Riverdale (Mr. Renwick) drags that caucus around by the nose. He must have decided, with the sort of intuitive reasoning only he is capable of, that the best thing to do is to vote against a Ministry of Industry and Trade as envisioned in this bill.

That really is a serious mistake because the first part of the reasoned amendment appeals to me. I really would want to support it if it were put forward as an amendment to the bill when it comes before the House in committee stage because it calls for changes in the bill to increase the degree of Canadian ownership of Ontario industry.

This is the sort of direction the minister really must have because his response to the successful attempt to sell out White Farm Equipment to American interests was pathetic. If there is one thing that will spell the end of a budding—I hesitate to use the word "promising"—political career, it may very well be the weak response the minister gave, with advice obviously from the member for Brantford because the minister referred to the honourable member repeatedly when he made these wishy-washy responses, which allowed that company to be removed from Canadian control and put in the hands of an American owner.

I am just going to spend about five minutes on this because this is really the first opportunity I have had to bring to the members' attention what has actually gone on. White Farm Equip-

ment, as a result of a number of mergers and near bankruptcies over a number of years, during which the famous Cockshutt Farm Equipment was subsumed by other companies, itself took in Oliver, a company we do not hear about much any more but which had an excellent reputation for farm equipment. Minneapolis Moline was involved in it.

**Hon. Mr. Snow:** Farquhar Oliver?

**Mr. Nixon:** That is right, Farquhar Oliver. My God, I wish he were still here. He was a great parliamentarian.

**9:20 p.m.**

The company under its American leadership fell upon evil days and went into receivership. That was a serious matter indeed because the Canadian arms of that company, one out in British Columbia building White trucks and one in Brantford building White combines, was making money. It was agreed these two should be severed from the American parent which was floating along—at least half submerged, I suppose—in receivership. The reorganization of White Farm Equipment was undertaken under Canadian control.

The governments of Ontario and Canada were involved in this quite deeply with financial guarantees and federal grants for development, which saw the invention, if not just the development, of the famous axial-flow combine, which in my view is the best in the world although there are those who say its construction requires some refinement. Certainly the member for Brantford and the member for Brant-Oxford-Norfolk have to be a little careful when they decide what combine is the best because the two best are made in Brantford. Only the axial-flow combine comes from White Farm Equipment.

Ever since the rejuvenation of the Canadian firm about a year ago with an American and a Canadian partner, with the Canadian partner in control, I believe the American interests had been harassing the administration and the Canadian ownership in a completely irresponsible and unconscionable way. The American partner was consumed with a desire and a commitment to regain control of the Canadian industry. Just a week or so ago permission was granted by the governments of Ontario and Canada to do so.

I consider it regrettable that has happened. An instance such as this, where the minister is putting before us enabling legislation which sets out the aims of his ministry, is surely a time

when I should tell him of my personal disappointment with his lack of leadership in this matter. I believe the bill should have incorporated in it a section which indicates that we in Ontario are supporting not only federal initiatives but other provincial initiatives which tend, in general, wherever possible to Canadianize control of the industries operating in this province and this nation.

My colleague the member for Kitchener-Wilmot (Mr. Sweeney) in his speech has indicated that in general terms the aims set out in section 3 of the bill, indicating the responsibilities of the minister, can be read and understood in such a way that this could be a responsibility of the minister. I would be glad if, in his remarks in summary, he is prepared to accept those responsibilities.

I believe a large majority of the people, if not everybody in this province, would like Canadian control if possible. We realize we do not have the resources to buy them out, but whenever there is a proper opportunity to maintain and strengthen Canadian ownership, it should be our prime responsibility to do so and not to sit back and say nothing can be done, particularly when an approach in conjunction with the other level of government has not been undertaken.

Seven weeks ago 925 people were laid off at White Farm Equipment in Brantford. The reasons for this layoff have never been made apparent except for some comments about inadequate third-party financing. I am not a financier myself and I do not believe the minister is either, but both of us have access to advice in this connection and in this instance somebody suggested to me that his principal advice comes from an American who works in his ministry.

I do not know whether that is true, but it has been said to me by people concerned about the decisions taken which affected the people of Brantford that one of his principal advisers is an American and might not have the objective approach to giving advice we would hope for in this particular matter. The minister can correct me on that when the opportunity presents itself.

Third-party financing is the money that permits the farm machinery company in this instance to deliver the combines or whatever the equipment is to the dealer and receive the money even before the machinery is sold to the farmer. In other words, third-party financing enables the manufacturing concern to keep functioning with an adequate cash flow, and it finances the machine at the dealer's until he persuades the



farmer to part with his hard-earned cash in order to buy the machine. A shortage of this sort of financing, according to the news releases, led to the layoff of these 1,000 people.

This announcement was made in spite of the fact that the government of Canada, being made aware of the shortage of third-party financing, had clearly offered \$20 million extra in credit for this very purpose. The minister is aware that along with that offer of a loan went the requirement that somebody named by the government of Canada would take a place on the board in an administrative position with the company in Brantford. It was fully expected this would happen. As a matter of fact, the man's name was painted on a parking place down at White Farm Equipment. The company figured it was going to get the extra \$20 million and in return somebody representing the government would participate in the administration of the company.

At the last minute, and I really mean the last minute, a decision was taken by the company to reject the \$20 million. This is where the minister and I had a difference of opinion. He stated in the House that decision was taken by the Canadian partner. I disagreed with him and said the decision was dictated by the American partner for the sole purpose of throwing the company into the kind of chaos that would have to result in its sale.

To verify my position, I have spoken to the former Canadian partner, who is no longer associated with the company. He has verified that the agreement that established the company under these new circumstances a year ago required both partners to agree to a decision of this type and that it was the American partner who would not agree. I want to make it clear.

The government of Canada had offered the company \$20 million in additional third-party financing, which was vetoed by the aggressive American partner whose total commitment was to shove the Canadian partner out and assume total control of the company, which he has now been successful in doing. That is the part I find absolutely unconscionable and unacceptable. It has been explained to me that \$20 million was not enough to keep the company going for anything more than a short period of time.

**Hon. Mr. Walker:** That might have had something to do with the problem.

**Mr. Nixon:** The minister realizes that the federal government was prepared to come in with a commitment even larger, twice as large as it made a year ago. If he, as provincial minister,

had indicated his concern even with the piddling little bit of guarantee we were prepared to put forward—it was enough at the time a year ago—we might have been able to maintain the company in the same status it had before. The combines were being made, the employees of White had been hired back, the assembly lines were working and the situation was working smoothly except for the interference of the American partner.

As well as putting forward chaotic and dislocating decisions, often arrived at at the last minute, at the same time the American partner was offering the Canadian partner \$1.5 million clear profit over his investment just a year ago if he would get out of the way and let the American take over. The Canadian partner is a gentleman named Mr. Hazenfratz. I am sure Hansard will look after the spelling of that name without my help; at least I sincerely hope so. He is a very competent man, an immigrant from Europe who came over here and did extremely well in the manufacturing industry in Guelph. Who can blame him for responding to the stick of the harassment of his American partner and the carrot dangling in front of him of \$1.5 million clear profit in a year by saying: "Okay, you win. You can have the whole thing. I am going to get out of this and invest my money in something else"—which is what he did.

**Hon. Mr. Walker:** That was some carrot.

**Mr. Gillies:** That was some stick.

**Mr. Nixon:** No, no. Don't get my allegories mixed up. The carrot is the money and the stick is the American beating his Canadian partner week after week as the approval for the payroll is held up until 10 or 15 minutes before the cheque-writing machine has to go into operation or the company closes down. What kind of way is that to do business? It is really ridiculous.

9:30 p.m.

As soon as the American partner comes to the minister here and says, "I want to buy it out," the minister says, "I guess that is the way to go." He has told us already that when it comes to dividing the turkey he associates himself with the right wing. That is okay. It is the sort of attitude that says: "I do not want to have anything to do with this. If the American has the clout, the money and the power to tear this away from us, then I guess he should do it." He immediately capitulated and said we had to do this.

The stick on the minister was that these 1,000 people had been laid off. The member for



Brantford was very properly deeply concerned about that, as was everybody else around there. But there was also an alternative to turning belly up and saying, "Okay, boss, you take the plant and the control."

I do not have a very friendly feeling for the federal people either. It was quite clear that if there had been co-operation between the two ministers, of the province and the federal government, a procedure could well have been worked out to maintain the operation, to put the people back to work and maintain the ownership of this company in Canada.

The people in Ottawa swithered longer than I had hoped because those people were unemployed for a long time. Finally, they worked out an agreement which I did not like very much—and I still do not like it. They had lots of pieces of paper signed by Mr. Georgoulis, the American partner, or his representatives, who were swearing on a stack of bibles or whatever businessmen swear on—I suppose a stack of annual reports or something like that—that they were certainly going to leave everything in Brantford the way it was, maintain 1,200 jobs, allow expansion to happen here and so on.

At least the federal government said, "By the way, we want out of our capital guarantee within two years." The new owners signed that. The federal government has at least pulled itself out from underneath that load of possible debt and payoff in the future. As far as I know, the minister here capitulated without even arranging that sort of guarantee and we are still on the hook for whatever amount it is, \$2 million or \$6 million; a large amount of money anyway. That is a guarantee that we in this Legislature approved a little over a year ago.

One would have expected that once the man in the United States got his way, full control of this Canadian firm with its patent for the axial-flow combine, we would have seen some action. Well, we did. The next day he fired the president, gave him his walking papers and got him out of there.

He sent a new president from the United States, who happens to be a Canadian, born in the Brantford area, but who has certainly been deeply trained and steeped in the American way of doing corporate and administrative business. He is a very capable and tough-minded man. I have spoken to him about this matter and he has explained his point of view to attempt to make the company work in Canada, to produce good combines, to make a profit and expand the work force. I credit him completely with having

proper motives, but his boss is still very much the same corporate finagler—if we want to call him that, and I do—who arranged for the sellout of the Canadian interest in the first place.

The next thing that happened was that everybody expected to be hired back. After all, surely the only reason for reinforcing the American ownership was so they would have access to capital, so-called third-party financing, of sufficient amount to allow them to begin operation once again. The interesting thing is that the company that has been providing this third-party financing, Borg-Warner, was the same company that is financing the American partner in the buyout.

It is so complex for a person with my mentality that it is difficult to describe. In other words, it cut off the financing to force the sale and then the same company that cut off the financing provided the extra dollars to the American partner to buy the control.

It is absolutely mind-boggling. That is why I urged the Minister of Labour (Mr. Ramsay) to investigate this matter because the layoff, if it is not illegal, is certainly immoral. Those people have been out on the street, some of them, for four or five weeks.

The thing that really worries me is that after giving the Americans everything they wanted, handing it to them on a platter, those people are still not rehired. There are a few each day, a few each week, but they have still been out of work for this long period of time because of the corporate shenanigans that I have described.

It concerns me that the minister has not been in a position to provide the kind of tough leadership that we, as Canadians first and residents of Ontario second, would expect. I would hope that when he gets around to getting some confidence in his ministry he will be able to provide the sort of leadership that is going to emphasize Canadian control where possible and, in this instance, it was clearly possible to have the jobs and maintain Canadian control.

**Mr. Samis:** Mr. Speaker, I want to comment briefly on this bill from two perspectives: one, as a member from eastern Ontario, and two, to express my concerns about the personal philosophy of the Minister of Industry and Trade (Mr. Walker).

I have to confess that dealing with this minister is a bit difficult because he strikes me as a very enigmatic minister. I recall very vividly his proclaiming that he was a great student of Reaganomics, Milton Friedman, etc. Yet I recall very recently this minister was the same



one who introduced a trade delegation from the People's Republic of China. On the same night, he walked into a banquet at the Harbour Castle arm in arm, I believe, with the Socialist trade minister from the Republic of France.

I sometimes have a little difficulty following the proclamations of this minister with the performance of this minister. That causes me some concern.

Speaking as a member from eastern Ontario, first of all, I do have some concerns about the Reaganomic-Friedmanesque approach to economic problems in general that this minister has openly proclaimed. It seems to me his Charlie Wilson-Stanley Randall "What's good for business is good for Ontario" mentality, and also proclaiming that he is the friend of business in the cabinet, is something that causes concern across this province.

I suppose it is fair game in straight political terms to say, "I am the friend of business in cabinet." People expect that. That is probably good politics, and I do not begrudge the minister's saying that. But let me say, as a member who comes from a slow-growth economic region of the province which is in direct competition continually with the Golden Horseshoe region, that to let business decide totally what is good for the province and let government take some sort of passive, submissive, compliant role in such a situation is absolutely and totally unacceptable to me and to most of the people living in eastern Ontario.

Without some government role in regional development of our province, regions like eastern and northern Ontario would certainly be depressed regions with declining populations, lost economic and social opportunities, sky-high unemployment and an ever narrowing tax base for our local governments. That is why the minister's own predecessors in the same ministry have established such crown corporations as the Eastern Ontario Development Corp., the Northern Ontario Development Corp., and the Ontario Development Corp. to assist in the development of regions such as mine.

They recognize the need for government intervention and the need for government involvement to assist regions, and not to leave the fate of regions like eastern and northern Ontario totally at the mercy of the private sector. They obviously, and I must say wisely, rejected the idea that regional economic development could be entrusted entirely to the private sector.

If I look at my own riding, for example, I

would hate to think how our economy, our infrastructure, our industries would be without some involvement from the government, whether it be in the form of EODC loans and guarantees, joint federal-provincial agreements, such as the one signed in 1975 that provided \$14 million of funding for a civic complex and industrial park, or the recently signed federal-provincial eastern Ontario subsidiary agreement to aid manufacturing and small business.

We in our area do not regard the government as the enemy or the adversary of the private sector, especially small business. We do not subscribe to the American theory or Adam Smith's philosophy of laissez-faire or government abstinence because we know how damaging, how devastating that can be to a vulnerable, slow-growth, neglected region like eastern Ontario.

**9:40 p.m.**

We believe in and we need an active, interventionist ministry that will work with the private sector to stimulate and channel growth and investment into slow-growth regions like ours. The people of eastern Ontario are pragmatic in their outlook and I must say they are suspicious of anyone who, in effect, wants to turn the economic clock, in terms of economic thinking or economic policy in this province, back to the era of Herbert Hoover and his cronies on both sides of the border.

**Mr. Laughren:** Herbert Hoover of the north.

**Mr. Samis:** Right. Surely Allan Gregg and his boys at Decima Research conveyed that message loud and clear at the Tory conclave in London—I believe it was last fall—that the people of Ontario are not interested in or prepared to follow any ideological extreme, whether it be of the right or the left.

That brings me to the question of the basic philosophy of the gentleman occupying this ministry and the extent to which he intends to apply that personal philosophy to the ministry. I know the ministry has changed in context. He has added the dimension of trade and that is of particular interest to my own riding since the federal trade minister comes from the riding. I hope the relationship between the current minister in this province and the federal minister will improve somewhat. They got off to a very rocky start—

**Hon. Mr. Walker:** Not at all.

**Mr. Samis:** —and I hope the tone of the dialogue and correspondence will be more positive and more productive because it cer-

tainly got off to a bad start. I do not think the minister in all sincerity would deny that fact.

**Hon. Mr. Walker:** No, you are wrong.

**Mr. Samis:** I have always respected the member for London South, especially in his days as a back-bencher. I thought he was a candid, clear, articulate spokesman for the basic, ideological right wing of his party. He used to be able to speak out freely and candidly and one listened to him. One might have disagreed with him 100 per cent, if not 1,000 per cent, but at least one knew where he stood.

I recall vividly that after what he would regard as the unfortunate events of September 10 or September 17, 1975—I do not recall the exact date—the current minister became a little philosophical about the turn of events in the province and decided to sit down and write a letter to his Premier (Mr. Davis) about what he thought should be the direction of the Tory party and the province.

The headline in the *Globe and Mail* said, "Defeated MPP"—he remembers those days—"Urges Davis To Halt Leftward Drift of PCs." That to me was the real Gordon Walker, the man who is facing us today. That was the essence, the soul, of the man. It was a seven-page letter. He really waxed long on that one.

I will just give a few quotes because I think it is important for the people who have to deal with this ministry to know how this minister really feels. He said: "How the voter must be frustrated with our party appearing as Socialist Conservatives and Stephen Lewis masquerading as a Conservative Socialist. Meanwhile, the Liberals are out-Torying us. I ask you, Bill"—now listen to this—"in earnest, just what is the identity of our party to be?" He said many people he had spoken to since the election believe there must be "a re-righting of the Conservative Party. Frankly, I have to think there is no time for us more right than the moment to have our party return to its original base."

The article said: "The letter to Mr. Davis identifies various policies that have marked the drift away from conservatism such as land banking and such as rent control, 'a disaster looking for a place to happen.' He also mentioned giving teachers the right to strike as a hot issue back then.

"The key lesson I learned from the last election was that the Liberals appealed to the very voters who ironically were most able to accept the Tory traditions. Many Conservative-oriented people told me they voted Liberal as

the only way of expressing their disapproval of socialism, be it the NDP or ours. Many loyal PCs, angered by the party's adoption of Socialist programs, could not bring themselves to vote at all.'"

Further on in this major diatribe of the honourable member, in his critique he said, "Rent control legislation has destroyed entrepreneurial investment in rental accommodation." He predicted only the government would still be building rental housing within a year. How wrong he was on that one.

He went on to say that free enterprise is the only answer to more housing in Ontario. "Unorthodox as it may seem, I suspect that most of the Planning Act . . ." and he talked again about rent control and maybe even closing down the Ministry of Housing as possibly the best solution to the housing problem at that particular time.

**Mr. Wildman:** That was even before Claude was the minister.

**Mr. Samis:** Right, even before the member for Ottawa South (Mr. Bennett) took over—"at no significant aesthetic loss to the public." He went even further than that. Again quoting from the article, "Mr. Walker criticized recent consumer legislation, escalating welfare in the form of guaranteed annual incomes, free OHIP and drugs, which although he supported at the time he now sees as part of 'the drift to the left.'"

"He suggested extensive pruning of government spending through the abolition"—if the former Minister of Agriculture and Food (Mr. Henderson) were only here tonight—"of entire parts of ministry. 'Agriculture, for example. Abolish it,' " the minister said. And get this: "A gutsy government would endear itself to voters by axing many redundant programs."

In his letter he talks about the glories of workfare, one of his pet ideas in London. He does not talk about it much in here, but back home he loves to talk on that one. Further on in the letter he says, "By adopting the principle of making users pay a greater share of cost, such as by boosting OHIP family premiums 50 per cent, government support costs would be reduced and unnecessary use of health services would be deterred."

In the conclusion of this extraordinary letter, and I am sure he was shocked when the *Globe and Mail* got hold of it, he gets on his hands and knees and reaffirms his support, fidelity, devotion and ongoing loyalty to the Premier. But he also takes the time to accuse Prime Minister Pierre Trudeau of creating "a new society of



Socialist fascism." That took quite a bit of imagination.

This is the minister who has to deal with the federal government accusing the Prime Minister of Canada of creating a society of Socialist fascism. One has to think about that one. Even as one thinks about it one wonders what the hell he is talking about. This is the minister whose ministry we are now discussing, and what he said in that letter, I would argue tonight, is his real philosophy. That must give people some cause for question if not for doubt.

Let us look at this minister's record in the light of what he said. Let us see what he has done since he has joined the cabinet and become a member of a government that has drifted so far to the left.

He likes to proclaim that he is in favour of the Reagan-Stockman-Friedman-Kemp concept of government and economic management. I am not sure that he endorses the whole package, the whole thing about supply-side economics, balanced budgets, deregulation, vastly increased defence spending and taking away milk and food stamp programs for the poor. I am not sure how much of the overall package he endorses, but he does endorse the fundamental philosophical slant of the Reagan regime.

I am not sure if the minister considers himself a student of Stockman, a fan of Friedman, a camp follower of Kemp or just a plain old-fashioned reactionary surrounded by a caucus of red Tories, pink Tories and victory-at-any-price Tories. But I can understand the minister's paranoia, sitting on that side and in that cabinet.

He used to pride himself on such formerly popular American concepts as zero-base budgeting and sunset laws. He remembers that from his good old days; when Jimmy Carter was new and some of these ideas had a certain glamour to them, the minister did find them an attraction. I think he introduced a private member's bill on sunset laws if I am not mistaken. Now that he is in the ministry we do not hear a thing about them because obviously they are taboo in his own ministry; so that has been forgotten.

9:50 p.m.

He says he is a friend of business, and did his best when he was Minister of Consumer and Commercial Relations to reduce the level of consumer protection as much as he could or to get away with as much as he could. He has ranted and raved continually against the operations of the Foreign Investment Review Agency. He has consistently opposed any efforts by

the federal government to introduce a meaningful and progressive competition bill.

He talks continually about the glories of the marketplace and the need to reduce the role of government in our economy, and about some sort of Reaganomic panacea for our current economic problem. He waxes poetic on foreign investment in a manner that would put Stanley Randall to absolute shame in the 1980s.

Let us look at his record a little more carefully. I recall that this session opened on March 9 with a speech from the throne. The Toronto Star on March 10 had an interesting write-up on it. In fact, the minister's picture even got in next to that of the Premier (Mr. Davis). I have the clipping here, I guess this combination is the Jerry Falwell and Jack Kemp of the Tory cabinet, he and the Treasurer (Mr. F. S. Miller).

The headline was interesting. This is not a quote from an opposition member, "Government all talk but little action on jobs." He loves to talk about jobs when he speaks to various groups around the province and chambers of commerce, but somehow the throne speech did not show much new initiative or new direction.

He talks about reducing the role of government as one of his great philosophical goals of being in politics and in government. This is the same minister who waxed enthusiastic in 1975, in his letter to the Premier and in innumerable speeches, on the role of free enterprise and yet defended rent control in this Legislature last year.

If a fellow is a real, honest-to-goodness, right-wing Conservative, like my friend from Brockville, the member for Leeds (Mr. Runciman), and gets up not only to smudge it but also to actively defend rent control in this Legislature, what kind of Conservative is he? Does he remember the letter he wrote to the Premier about rent control?

He spoke to the Ontario Mining Association tonight, a fairly brief Floyd Laughrenist speech, and of all things he started talking about co-investments. Whatever happened to free enterprise? They do not even use the word "co-investment" in Manitoba any more.

He got up in the question period today when he was asked by another member of the opposition, "Where do you stand on Suncor?" He is a great free enterpriser and said: "I abide by the cabinet. If the cabinet supports it, I support it."

That is what I like about the good, honest, ideological, down-to-earth, right-wing, free-thinking, open-minded back-bencher of 1975: "I support it. The cabinet supports it. I am with

them." Oh, how power corrupts. Oh, how the cabinet takes away our initiative, our freedom and our independence. Whom do we trust, the Gordon Walker of 1975 or the Gordon Walker of 1982? What a record.

He talks about the need to reduce the role of government in the economy. The marketplace against free enterprise is the great initiative, the great thrust of our society. Yet he is part of a government that this year will have created a deficit of \$1.5 billion and probably next year will increase that to the \$2 billion mark. I dare say that since he has been a member of the cabinet it has not produced a single balanced budget, yet he calls himself a philosophical Conservative. The government has not produced a balanced budget or surplus in years; in fact, it makes the former Socialist government of Saskatchewan look Conservative by comparison. Yet he says he is a right-winger. The member for Leeds must be trembling, if the minister is the ideological ally he has in cabinet, as to what is going to happen.

He talks about the goal of creating a better business climate, but somehow he manages to say nothing about the current exorbitant level of interest rates, which constitutes the single greatest threat to the small and medium business sector of this province. John Bulloch had some interesting statistics, I think in November 1981, about the effects of interest rates. One would think that somebody in charge of industry and trade would be worried about their impact on the private sector in Ontario.

We hear statistics such as 56.3 per cent of small businesses have cut back on their expansion plans; 32.4 per cent of them have laid off workers; the curtailment of expansion is three times greater than figures reported in a similar survey last year; 24,261 full-time workers have been laid off within this group, and another 31,899 jobs have not been created owing to expansion postponements; 77.9 per cent of the business firms experienced a reduction in profit as a result of interest rates, while 10.3 per cent fell into the loss column; 29.1 per cent said if high interest rates continued for another year or two they would either close down or sell out completely, be forced into bankruptcy, or sell off part of their operations.

Here is the voice of small business talking about the impact of interest rates on them. Yet we do not hear a peep from the Minister of Industry and Trade, although this affects the entire small and medium business sector.

One wonders why the small-c conservative, a

friend of business, does not speak up, when all the business people, whether in small, medium, or large businesses, are continually attacking high interest rates. Does it have anything to do with the figures that came from the top five chartered banks in Canada as to where they put their money at election time and the fact that the Conservative Party across Canada received \$731,845 from the Bank of Montreal, the Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, the Royal Bank and the Toronto-Dominion Bank? Does that have anything to do with the reluctance of the members on that side to criticize the exorbitant interest rates and the ripoffs by the banks? Sheer coincidence or not, I really wonder.

As a member of cabinet who is there to be the spokesman of business, why we do not hear him attacking the insanity of Gerald Bouey's monetary policy? He knows the social consequences but, more important, he knows the business consequences of tight money and Reaganomics in Canada. Everybody knows: 1.5 million unemployed; record bankruptcies; an all-time low in housing starts; absolute pessimism among the consumers of the province. Yet we do not hear him attacking Gerald Bouey and tight money. Instead, he deals with the other straw men; whether it is government regulations, combines bills or feds, those are the targets. Businessmen are interested in other things, but we do not hear from this minister.

We talk about the whole question of competition legislation. This minister does not even challenge the present inept and ineffectual federal combines legislation, which he knows prevents the growth of small business and Canadian-owned business in Canada. We do not hear him advocating any progressive proposals that would make that legislation have teeth. In fact, he opposes virtually every initiative from the current federal minister.

Even people from the oil industry have said, and I quote Jim Conrad of the Canadian Federation of Independent Petroleum Marketers, "Canada's basic economic problem is abuse of market power by dominant firms in all oligopolistic industrial sectors." He talks about independent retailers having been subject to abuses of power by the oil giants for more than 20 years and says that reform of competition laws is long overdue. I quote again: "The only alternative to strengthening the competition laws in Canada is increasing government regulation. In short, our economic future is either control or competition." But somehow the minister is not inter-



ested in this concept of real competition, a real marketplace.

It raises a fundamental question. What do we believe? What should the people of Ontario believe? The minister's professed support of a dogmatic, Reaganistic, laissez-faire capitalism, or his record in the cabinet and on that side of the House? What can we really expect from this minister in this new portfolio? Will the thirst for power outweigh his basic ideological bent and his basic convictions about what kind of society he wants?

The people of Ontario want an active, positive, interventionist, pragmatic attitude from this ministry. I can only hope that the minister himself will be able to overcome his personal ideological bias and live up to the expectations of the Ontario public. If anybody needed to convey that message, I am sure Allan Gregg and his friends at Decima Research Ltd. did that in London. I can only hope the message will sink in so the people of Ontario can get the type of government from this ministry that they clearly and obviously want.

10 p.m.

**Mr. Gillies:** Mr. Speaker, I cannot say in all honesty that when I returned from the Ontario Mining Association dinner some one and three quarter hours ago I intended to join the debate this evening. But twigged as I have been by my friend and neighbour the member for Brant-Oxford-Norfolk (Mr. Nixon), who is now joined by his lovely wife in the gallery, and with the indulgence of the House, I do want to say a few words about the industrial situation in my riding, specifically about White Farm Equipment and about some of the impact I hope this bill will have when it becomes law.

I listened very carefully to the comments by the member for Cornwall (Mr. Samis). In a broadly based and representative party like ours, if I were writing a letter to the Premier (Mr. Davis) tomorrow morning about the state of industry and development in the province, it might have a slightly different bent to it than did the letter from the Minister of Industry and Trade. However, I think that is a very healthy situation. It should not cause alarm opposite, as the member has since implied perhaps, that this is indicative of any incoherence or lack of direction in the policies of this government.

I have heard a few of the members opposite cite Reaganomics in reference to our industrial policy and the history of the industrial policy of this government. I have heard the name of Milton Friedman come up occasionally. Yet I

have to tell members in all honesty that when I look at the history of the government's participation in the economy in my constituency, I do not see the evidence of the fine hand of either Milton Friedman or Ronald Reagan, and neither would I want to see it.

When I look at the largest employer in my riding, Massey-Ferguson, which we have already mentioned tonight and which employs more than 4,000 people, not only in my riding but also in my neighbour's riding, I see a commitment by this government of some \$75 million in loan guarantees. I do not think Ronald or Milt would have done it.

I also see a provincial commitment to the much-discussed White Farm Equipment—in fairness, in concert with the federal government. It is a commitment of some \$6 million from this government. While there were certainly things in the member for Brant-Oxford-Norfolk's speech with which I heartily agree, I think he is somewhat off his target.

While we are on the subject of White Farm Equipment specifically, I would be no less critical of that company than has been my friend opposite. However, I do not see the villain in the piece as being either the government of Ontario or the government of Canada. Let us review a few of the facts.

My friend mentioned the squeeze-play tactics of the American partner in his dealings with the minority Canadian partner, and I do not dispute it.

**Mr. Nixon:** It was not a minority; it was 50.5 per cent.

**Mr. Gillies:** I understand it was 50.1 per cent to 49.9 per cent, and that is still a minority partner. I do not dispute the tactics with the member. I do not dispute with him the failure of the American partner to embrace the offer of further financial aid from the federal government which, had it been viable, would have been joined in concert with assistance from this province. Certainly, that would have been consistent with the history of this province's dealings with White Farm Equipment. However, it was not to be.

Obviously, as has already been pointed out by my friend opposite, Mr. Georgoulis had his own plans for White Farm Equipment. There was the carrot-and-stick analogy.

**Mr. Nixon:** He wanted to grab it.

**Mr. Gillies:** I would have to say that, without particular compulsion, the Canadian partner

accepted a \$1.5-million profit on a \$3-million investment in one year and he left.

**Mr. Nixon:** Who can blame him?

**Mr. Gillies:** As my friend opposite says, quite correctly, "Who can blame him?" I would have to say, because I do not know anything different, that it was a legitimate business proposition put by the American partner to the Canadian partner and was accepted in good faith. None the less, it happened.

I would say—and I have said it before; I am certainly not breaking new ground here—that I would have preferred a Canadian owner for White Farm Equipment. I said that when the proposition first came forward, and I say it now. But the nagging point, the awful fact of the matter was that no viable Canadian partner came forward.

My friend opposite may not be aware that there was some flurry of tentative interest from a major Canadian corporation. It did not happen, because the policy of that company was not to indulge their whim. I will not name the company—I think it would be irresponsible of me to name it—but what we were faced with, when it came to my attention, was a company whose own financial situation was so precarious—and the terms they put forward to the government of this province for them to show interest in the proposition were nothing more than usury—that it would not have worked.

**Mr. Nixon:** Was it Suncor?

**Mr. Gillies:** It was not Suncor. I was concerned that this proposition would come into fact rather than the proposition that was accepted. Somewhere down the road I think we will see and hear more about the activities of one month and three weeks ago as regards this company than are on the table now, and I think that will prove to be right.

I look again at the situation. There we were, faced with one prospective buyer for the company which, as has been pointed out, had a long history in my constituency. I think it is fair to say that at one point it was the largest employer in Brantford. It is now the second largest employer, with some 750 hourly paid employees and more than 185 salaried employees.

On Friday afternoon we had what we thought was a relatively healthy company in terms of sales and inventory, plagued as they were periodically by the cash flow problem, and employ-

ing close to 1,000 people. On Monday morning those nearly 1,000 people were out on the street.

**Mr. Nixon:** With no good reason.

**Mr. Gillies:** With no good reason, indeed.

Had there been options, had there been a viable Canadian buyer at that time, I would have been leaning on and pressuring the minister with all my might to see that deal accepted. If any further assistance had been required from this government, I would have been pressuring for it too, because I, for one, am not in the least bit concerned about government assistance to the industrial sector; in fact, I think such assistance should be increased in certain areas.

However, at that time we were faced with a situation where the one and only prospective buyer was an American and the option, as I saw it, was potentially permanent unemployment for the 1,000 people at that company. I stress again, those were the options as they appeared at the time.

We, like the federal government, have money tied up. We have a direct interest as taxpayers in the future health of that company. We have a direct interest as taxpayers in the future health and continuation of Massey-Ferguson.

I have heard some of my friends opposite speak of the lack of commitment and the lack of investment by government in the industrial sector in the province. Quite frankly, when I look at Massey-Ferguson, White and, beyond my constituency, Ford, Chrysler, the mining industry and all of these other things members have spoken about in this debate, I do not see evidence of that ideological bent. I do not see evidence of the lack of the commitment of which we have heard a bit in the past couple of days in this debate.

There are a couple of features in this bill which I look forward to enthusiastically. Again with reference to both Massey-Ferguson and White, I look at clause 3(c) of this bill in which it says that the ministry "shall advance the interests of the private sector of the economy of Ontario by providing appropriate promotions, assistance, counselling and advocacy to aid in the securing of new markets, the introduction of new technologies, the development of new products and adjustments to changing world economic conditions."

I do not see the aims of that clause as inconsistent with the government's commitment to the industrial sector in my experience. I do not see the aims of that clause as inconsistent with the development of the technology centres. I do not see them as inconsistent with the



assistance that the Ontario Development Corp. has provided to smaller companies in my constituency, such as Lockwood Manufacturing, Etatech Industries and so on. I see it as consistent with and, I would hope, an enlargement upon that type of commitment.

**10:10 p.m.**

Obviously all of us look to the budget. Those of us who live in heavily industrialized ridings look to the budget of May 13 to see what the Treasurer (Mr. F. S. Miller) has in mind for putting a finer point on the kind of assistance and development we require. I look forward to it. My honourable friend opposite knows that if I feel it is inadequate, I will be as critical as any member on the other side. If I feel it misses the mark, I will be as critical as any member opposite because that is the way I represent my constituents.

I look also at section 8 of the bill. My honourable friend has mentioned the industry and labour adjustment program, which I think is an excellent program. The former Minister of Labour (Mr. Elgie) and I went to Ottawa and met with the federal minister, Lloyd Axworthy. We urged him to designate Brantford under ILAP and we have been designated, not just Brantford but the town of Paris also. I look forward to it. Indeed, my friend opposite and the mayor of Brantford were there; the federal member, Mr. Blackburn, was involved. We made a co-operative effort to persuade the federal government that it could undo some of the damage, in one small part of Ontario, that its high interest policy has wreaked.

Although Brantford and the town of Paris were designated, we are still working on Dumfries. They could use it too. The bill, under section 8, proposes: "The minister, with the approval of the Lieutenant Governor in Council, may approve any area in Ontario that is considered to require assistance to attract industrial development as an area of equalization of industrial opportunity." I wholeheartedly support that.

I happen to think that the federal program has provided benefits to the city of Windsor. I have been to Windsor and talked to members of the ILAP committee there. I anticipate that it will be of some assistance to my colleague the member for Chatham-Kent (Mr. Watson). I certainly look forward to the assistance it will provide in Brantford, although I might say at this point that ILAP is still upon us. It is there, they are talking to people and they are rumbling around the community. We have one of our

most highly thought of and prominent Grits in the city chairing the committee.

**An hon. member:** Who is that?

**Mr. Gillies:** I will not put his name on the record. I respect and like the man too much and he does not need to be dragged into this political arena, although he does not mind being—

**Mr. Nixon:** Jack Brown would be proud to be named in this place.

**Mr. Gillies:** If the member feels he would, I will name him. Jack Brown is an excellent man and he will be an excellent chairman of the committee. I am sure his connection with the Liberal Party of Canada and the fact that he has dinner with the Prime Minister occasionally at Sussex Drive have nothing to do with his appointment to that committee.

I look at section 8 of the bill and see that we can have a mandate to do the same thing provincially. This minister can look at the communities of the province and decide, because of employment and industrial circumstances, that the city of Brantford, for instance, could benefit from some form of specific designation, that a finer point should be put on provincial aid and that we can work in concert with ILAP. I look forward to it and I am glad the minister is present to hear this.

I would be extremely disappointed if in the first round of approvals under section 8 of that bill the city of Brantford is not there. I think we are in need. We have high unemployment and other problems in the social and educational spheres which make it very difficult for young people in my riding to obtain their first employment and for householders and heads of families to bring up their families in the way they should be able to do in a modern industrial city.

**Mr. Bradley:** What has this got to do with the Rolling Stones?

**Mr. Gillies:** I will get to that in a minute.

**Mr. Eakins:** How many summer jobs does the member have tied up this year?

**Mr. Gillies:** We have a lot of summer jobs, some in the member's riding.

**The Deputy Speaker:** Order.

**Mr. Gillies:** This kind of designation could be very beneficial indeed. I would say again, lest we lose sight of the point, that for all the help that Ottawa and this province are able to provide, there is a villain in the piece, the ruinous economic and fiscal policies of the government of Canada. Let there be no mistake about it.



**Mr. Bradley:** I knew they would come into it somewhere.

**Mr. Gillies:** We hear about fed-bashing, and I know the member for St. Catharines is reacting in his typical fashion. He was just waiting for me to bring up the government of Canada. Surely he did not expect me to look at a constituency with 17 or 18 per cent unemployment, a constituency where people are losing their houses because interest rates have soared to 19 or 20 per cent, a constituency where major pieces of farm equipment ranging in price from \$70,000 to \$125,000 apiece cannot be sold because farmers cannot afford to pay the usurious interest rates that are required to buy such equipment; surely the member for St. Catharines (Mr. Bradley) would not want me to ignore the influence of federal policy in looking at those conditions.

He would not want me to put all that aside and talk about the ups and downs of the industry, the ups and downs of the home owner and the ups and downs of the industrial worker. He would not want me to ignore the architects of this ruin. I do not think the member for St. Catharines would want that at all. The responsibility for this is with the Bank of Canada and the government of Canada. If that is fed-bashing, then bash I will because they are the villains in this piece.

Having said all that, as we return specifically to the situation of White Farm Equipment, as I said a bit earlier, I do not see the villain of the piece in terms of White Farm Equipment as being the government of this province. In specific terms it is really not the government of Canada. In specific terms, it is not really Mr. Georgoulis or Mr. Hazenfratz. The villain of the piece is the interest rates which make things difficult for that company, which is a fine company putting out an extremely fine product. The difficulty lies in the ability of that company to sell its product.

**The Acting Speaker (Mr. Cousens):** Will the member tie his remarks to Bill 38?

**Mr. Gillies:** Yes, Mr. Speaker. I think the effects of Bill 38 could only help ameliorate the ruinous situation brought forward by the federal government.

**Mr. Bradley:** What does ameliorate mean?

**Mr. Gillies:** The member can look it up. He has been here a while.

White Farm Equipment is a troubling situation. As I said earlier, I would be very critical of the conduct of that company. I happen to think assurances were put forward by the company

prior to the transfer of ownership that are not the assurances we are now being given. I criticize that company for giving inconsistent and insufficient information to the workers. I criticize it for promulgating rumours. I criticize it for taking back, as my friend opposite said, a few workers at a time day by day when its assurances to the governments involved in this transfer of ownership were that the people would be back to work in short order.

I am not getting adequate information from White Farm Equipment. I do not happen to believe the ministry is and the workers certainly are not. If there is a villain in the piece, to me it is the company.

I have been contacted by many workers from that company. They have been told variously: "We do not know when you are coming back. The cash flow problems are not yet resolved. The third-party financier, Borg-Warner, is holding it up." They told somebody else, "A few people will be back for a while, but another layoff is imminent." There is usually a plant shutdown in August of a month or so; it is very common in the farm machinery industry. Some workers have been told that layoff will be longer. We are not getting consistent information from the company. We are not getting enough information from the company.

If it was out there operating by itself perhaps we, as a Legislature, would not have a direct interest in that. We could perhaps debate philosophy as to how much of an interest we would have directly in that. But it is not out there in isolation. It is out there with \$10 million of federal money and \$6 million of provincial money. It has an obligation to let this Legislature and the Parliament of Canada know just what it is doing with our tax money. That, as far as I am concerned, is the villain of the piece.

I will challenge White Farm Equipment. I will be contacting it again tomorrow to tell us when the workers will be returning to work and for how long it is anticipated they will be returning to work. I will challenge that company to enlarge on its commitments to both the federal and provincial governments to increase its manufacturing potential in this country and to maintain or increase its work force in my constituency. I would not only be disappointed if White Farm Equipment does not have some answers, but I would be very angry.

**10:20 p.m.**

My friend the member for Brant-Oxford-Norfolk and I both see a problem. We see slightly different causes of the problem, but I do



not think either of us, representing a community of industrial workers who have been hammered and hammered again in the last year, will be happy until we have some hard answers.

I do not fault the ministry. I do not fault this minister, who since he took office in the Ministry of Industry and Trade a few short months ago has offered nothing but co-operation and encouragement and tangible help to me and to the people of my riding. I have absolute confidence in the ability of this minister to see my community through some difficult times. I look forward to the opportunities promised in this bill. I look forward to the work and the co-operation with the new Ministry of Industry and Trade this bill will make possible. I look forward to the demise of the federal government which caused the problem in the first place.

**Mr. Bradley:** I want to take advantage of this opportunity to speak extremely briefly on a matter which arose in the House today with which the minister is very familiar as it relates to his new ministry and how his ministry might be useful in this regard.

The minister has been aware, concerned and working on the problem of plant shutdowns and permanent layoffs at General Motors. Today we had an announcement of 175 layoffs in Oshawa and 375 in St. Catharines. The ministry, strengthened as it will be through this bill, has the opportunity—or at least the minister can take that opportunity in the future as he has presently attempted to do—to prevail upon corporations such as General Motors to fulfil what we feel are their obligations in terms of the auto trade pact or any kind of international agreements involved.

This is always hard to pinpoint, but the other great concern in this House, and I know the minister shares this concern, is that the federal government, which is responsible for auto trade and the auto trade pact, ensure that the letter of the auto pact and other associated agreements within the auto pact are being lived up to in terms of preserving jobs in this country. This new ministry is the avenue of action to place that kind of pressure on the federal government.

In all fairness to the minister, I recognize he does not have the power to dictate to General Motors, particularly as a multinational corporation. I would hope his new ministry, concerned as it is about trade as well as industrial development, would prevail upon General Motors to keep as many jobs as possible in this country, particularly at a time when we feel we are

getting the wrong end of the deal as it relates to the auto pact.

The layoffs that were announced in St. Catharines today were an example of part of an operation being moved from a Canadian operation, where they sank \$13 million into a new plant about a year and a half ago, to the United States, for whatever reason the company would want to advance.

We also recognize, and the minister will be aware of this, that when we have announcements of white collar jobs being lost there is a relationship to the hourly rated employees. Their jobs are being lost at the same time. I would hope that as minister he would, as he has in the past, use all of his powers as minister and the prestige of his ministry to discuss this matter in a forthright manner with both the corporation involved—in this specific case, General Motors—and with the federal government through the Department of Industry, Trade and Commerce to see if we can prevail upon them to retain those jobs in Canada.

I expressed as well the fact that the minister, as Minister of Industry and Trade, would be concerned that the budget which his finance minister, in this case the Treasurer, is going to bring down would not include penalties for citizens of this province in terms of tax increases at a time when I know his ministry would recognize we need money in the hands of consumers so they can purchase products, so demand can be created for things such as automobiles which are so essential to providing jobs in this province and in the specific community which I and others represent.

I do not know how long we are going to go on with this bill. If the minister is going to have lengthy remarks I may keep going; otherwise I may sit down and allow him to complete.

**Mr. Sweeney:** He has lots of time.

**Mr. Bradley:** Is there lots of time yet? I appreciate, Mr. Speaker, that you have been considerate of my contribution and its specificity as it relates to a situation that occurred today.

I had another expression of concern. The minister did not entirely agree with me today. I think many people have a concern with many corporations. I realize there are some good examples of people who have come from south of the border to be presidents here. There is a great concern, I think particularly amongst Canadians and I would suppose even at the executive level of these companies, that those who come in from the United States who were

born in the United States and who were trained and educated in the United States can be persuaded not to defend the interests of the United States more than Canada's.

In fairness, the minister has cited examples where he thinks that is not the case. He stated this afternoon that by and large he feels it is not the case. Nevertheless, I bring to his attention the concern of many that indeed this is not the case and that his ministry, while it cannot dictate to multinational corporations, in general discussions should bring to their attention his concern that we have as many Canadians as possible advance to those positions so they can present what I feel is a Canadian point of view.

I indicated I would be relatively brief in my contribution, but I know the minister is not going to be able to wrap up in the short period of time we have here tonight. I would also like to indicate to him that, looking at the longer term, and once again being specific to the automotive industry and recognizing once again that much of the answer lies at the federal level, I would be concerned that we continue to push our point of view.

I think he has support on all three sides of the House for the point of view that, at least on a short-term basis, there be restrictions on imports of vehicles until such time as the Canadian industry can adjust to the new markets we have before us and can fight against the advantages enjoyed by offshore firms, particularly by Japan in this case.

Some have suggested 100 per cent Canadian content and others 85 per cent Canadian content for those vehicles which are sold in Canada. I recognize he is not going to do that tomorrow and I recognize we are probably talking more of the federal field than his field, but I would continue to support any efforts he would put forward to ensure we have that kind of Cana-

dian content, keeping in mind that he also has trade in the back of his mind and that there can be repercussions.

Interestingly enough, I was in British Columbia a short time ago and I am sure his corresponding minister there, Don Phillips, would express a different point of view, that those on the west coast would not want those restrictions. We recognize the federal people are faced with those kinds of representations.

I think this minister, having the knowledge of industry he does, is well aware we have to make strong representations, because there are competing forces in this country, pointing out the importance of the automotive industry, not just to my city or to our province but to the entire country, and pointing out the ramifications of a decline in that automotive industry for those in western, eastern and central Canada. I continue to support any efforts he would make in that direction. I know his government has been on record on many occasions, both in terms of the auto pact and in terms of the matters I have discussed.

I hope the new ministry as it is created will be more interventionist in terms of attempting to find new areas for us to export to because I think we recognize that exports are going to be the key to our success.

I welcome his efforts to move into other parts of the world in conjunction with the federal government. We are not competing with the federal government here. As a province, we have been good Canadian citizens first and Ontarians second, recognizing that in most cases those two blend together to be of equal importance to us.

On motion by Mr. Bradley, the debate was adjourned.

The House adjourned at 10:30 p.m.



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No. 42

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Thursday, May 6, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 6, 1982

The House met at 2 p.m.

Prayers.

## STATEMENTS BY THE MINISTRY

### LAKE SIMCOE WATER QUALITY

**Hon. Mr. Norton:** Mr. Speaker, tomorrow the staff of my ministry will sign a formal agreement with the South Lake Simcoe Conservation Authority to provide up to \$170,000 to study the phosphorus loading of Lake Simcoe. The authority will monitor Lake Simcoe water quality and initiate educational programs and demonstrations for the public.

A steering committee for this two-year study will be chaired by a representative of my ministry and will include representatives from the authority and the ministries of Natural Resources and Agriculture and Food.

Our efforts to improve the quality of water of this, our "fifth Great Lake," reflect not only the concern of the 70,000 people living year-round along its shores but also the demands of the 40,000 to 50,000 cottagers who enjoy the good fishing on the lake and its numerous beaches. In addition, more than half this province's population lives within an hour's drive of the lake, and we anticipate an increasing demand for its recreational facilities.

In our latest efforts aimed at the reduction of phosphorus loading to the lake from agricultural runoff, we have placed monitoring and sampling stations at the mouths of the Holland, Black and Beaverton rivers and Pefferlaw Brook. We will follow through with an investigation of the ways and means available to reduce these loadings and will study the effects such reductions will have.

In addition, we have just completed a study on the reduction of phosphorus loadings from the sewage treatment plant in Barrie, and one in Orillia is nearing completion.

In Cook Bay, the malfunctioning private septic tanks will be replaced by a modern sewage treatment plant, and the sewage now treated in Aurora and Newmarket and discharged into the Holland River will be diverted into the \$300-million York-Durham sewage treatment system.

I am confident that in a relatively short span of time these measures will enhance the recreational facilities of Lake Simcoe, reduce the stress on its fish population by enriching oxygen content and dramatically improve the water quality of that lake.

### FOREST FIRES

**Hon. Mr. Pope:** Mr. Speaker, I want to inform the honourable members that the 1982 forest fire season began April 1. My ministry's fire management staff, with the co-operation of the Atmospheric Environment Service, has monitored the over-winter weather and has analysed the long-term forecast to assess the probable severity of the 1982 fire season.

Over winter, much of Ontario's fire region received near-normal snowfall. Cooler than normal temperatures were experienced in early April across much of Ontario and this, coupled with the expected normal April rainfall, has resulted in a fairly slow snow melt. This means a significant shortening of the period of time the forest is exposed to drying before green-up occurs in mid-May.

This forecast indicates that the fire occurrence period could be a week or two later than in recent years and that fire occurrences would be at a near-normal level. To date, that prediction has been correct.

Fine weather over the past week has dried out grass and other light fuels in the open, creating conditions that allow surface fires to start and run. Up to yesterday morning there had been 324 of these fires, mainly in southern Ontario and the southern parts of the northern regions. Shower activity in the last two or three days has reduced the incidence of fire occurrence.

With the exception of the south, most lakes are still frozen. The ice is starting to give, but it will be a week or so before full-scale float plane transportation and water bombing operations are possible. Weather patterns will continue to be closely monitored by my staff fire specialists to identify as early as possible any developing trends that could produce hazardous burning conditions in or beyond the spring period.

My predecessor, the Honourable James Auld, issued a news release in early April 1981 outlining



a prediction for an anticipated early and severe forest fire problem last spring. In order to cope with such a probability, an additional \$6 million was made available to fund an early and enhanced fire control capability. This increased funding enabled my fire management staff to successfully cope with the early serious fire situation that did occur.

I am pleased to report that although this year's prediction is somewhat more optimistic, the level of funding has been maintained for 1982 and this has enabled the staff to establish a level of fire preparedness similar to last year's.

As was the case in 1981, we have enhanced our Ministry of Natural Resources water-bombing fleet of 35 aircraft by nine contract heavy-water bombers from the private sector and 17 light and medium helitack units, as well as increasing our total number of fire unit crews to 175.

I can also report that the lightning locator system that was operational in the northwestern region in Dryden in 1981, which enabled a more effective deployment of resources for rapid initial attack on lightning fires, will be in operation again this season. As well, additional funding has enabled us to initiate the establishment of the same system into the north-central region, headquartered in Thunder Bay.

Preventing man-caused forest fires continues to be a priority with my ministry and funding has been directed again in 1982 to those efforts.

The very active role and commitment of the forest industry in fire control activities last summer was very encouraging. Industry participation in the fire control program continues in 1982, and their woods work force is being integrated into the initial attack systems across the province. In this regard, industry crewman training is well under way, as well as the training of initial attack fire bosses from the industry ranks. The co-operation and active and effective involvement of the woods industry and their staff will further increase our total provincial fire control capabilities.

I am therefore confident that the level of our forest fire protection preparedness and capabilities, and the co-operation and assistance of all forest users, will enable my ministry to successfully cope with the anticipated 1982 fire load.

2:10 p.m.

## ORAL QUESTIONS

### BOND PROGRAM

**Ms. Copps:** Mr. Speaker, I have question for the Treasurer.

Ross Hahn, the treasurer of the Kitchener-Waterloo Hospital, told the Liberal health committee that the new business-oriented new development program, which I am sure the minister is familiar with, would steadily eat away at hospital capital funds and donations from the community and would, "in my opinion, be an absolute abortion of the health delivery system that we have—medicare—because you will end up with no money to purchase any equipment to run a hospital with. You know, if you want to run us into the ground, that is a real good way of doing it real fast."

Why does the Treasurer, in concert with the Minister of Health (Mr. Grossman), continue and persist with this misguided BOND plan?

**Hon. F. S. Miller:** Mr. Speaker, I have not heard the acronym BOND used before. I understand—

**Ms. Copps:** It's the business-oriented new development program—sort of like the BILD program.

**Hon. F. S. Miller:** Now that the leadership race is over, I am glad the honourable member is finally familiar with our programs; she sure was not during the campaign.

**Ms. Copps:** Is the minister telling me that, as the Treasurer of this province, he is not aware of the BOND program, the business-oriented new development program? The question is—

**The Acting Speaker (Mr. Cousens):** If this is a supplementary, I will accept it.

**Ms. Copps:** Is he familiar with the business-oriented new development program? If he has problems with acronyms, it seems that his government has mastered the acronym question very well.

**Hon. F. S. Miller:** No.

**The Acting Speaker:** The member for Bellwoods.

**Ms. Copps:** It's incredible. I hope the Treasurer—

**The Acting Speaker:** The member for Bellwoods has the floor.

**Mr. McClellan:** Mr. Speaker, will the Treasurer be so kind as to consult with his colleague the Minister of Health and ask the minister where the study of waiting lists for elective surgery is, now that the new beds-for-sale program, the BOND program, is in effect? The minister promised to monitor hospitals to make a determination of whether there would be a difference in waiting periods for elective surgery between pay beds and nonpay beds. Some

of us are curious to know whether the minister intends to provide that information.

**Hon. F. S. Miller:** First, I question whether that is supplementary; it may or may not be. Does Mr. Speaker believe it is?

**The Acting Speaker:** I think he is coming to it. The minister may try to answer if he can.

**Hon. F. S. Miller:** However, since the Minister of Health is here, I will redirect it to him.

**The Acting Speaker:** No, I do not accept that. The Minister of Health has just come in. Does the Treasurer have an answer to the question?

**Hon. F. S. Miller:** No, I do not.

**Ms. Copps:** In view of the fact that the Ontario Hospital Association feels that the potential of the BOND program will be only between 0.5 and 1.5 per cent of all hospital budgets in Ontario, and in view of the fact that the province has allowed only \$120 million for capital expenditure over the next few years, what does the minister plan to do to alleviate a situation we saw this week in the city of Timmins, where some patients were forced to wait up to seven days before they could even get out of an emergency ward and into a hospital bed?

**Hon. F. S. Miller:** Mr. Speaker, I tried to redirect the question to the Minister of Health. Those questions are appropriately his; they have all been his. I only suggest to the member that I have great confidence in the quality of the health care in this province; the member may not have. She is running around asking a lot of questions; which is fine, I encourage her to do it; but I suggest she also go to some other jurisdictions to learn how good our system is compared to theirs.

**Ms. Copps:** I find it incredible that the Treasurer does not even know what the BOND program is. He is someone who is supposed to be in touch with the health problems of this province.

### PSYCHIATRIC HOSPITALS

**Ms. Copps:** I have a new question, Mr. Speaker.

**The Acting Speaker:** To whom are you addressing it?

**Ms. Copps:** This question is directed to the Minister of Health, in view of the fact that he has finally arrived. The Liberal health care committee has seen the wreckage of psychiatric care across Ontario, and I think the minister himself was privy to some individual incidents in Parkdale.

I want the minister to know that it is not just a Parkdale problem, it is an Ontario-wide problem.

Does the minister know that there is only one psychiatrist to serve the whole population of more than 140,000 people northeast of North Bay? In the North Bay Psychiatric Hospital, there are open wards that have eight to 12 psychiatrically disturbed people who cannot have private rooms because the ventilation in that facility is not adequate. Is this the 1982 ideal of modern psychiatric care?

**Hon. Mr. Grossman:** Mr. Speaker, as I am sure the honourable member has learned from all of the 10 people who attended her task force hearing in North Bay, Timmins or wherever, the ministry is well aware of the problem we have had in getting a psychiatrist for that area.

In the meantime, rather than have the area neglected, other psychiatrists working in our system have been rotated in and out of that facility to make sure people who need psychiatric treatment are well looked after in the interim. Dr. Copeman reports to me that he is rather hopeful the problem is about to be solved and psychiatric services will be available on a full-time basis with some psychiatrists very shortly.

**Ms. Copps:** The minister is certainly aware of everything that went on in our hearings. I wonder whether the minister is aware of and responsible for the fact that employees and general practitioners in the city of North Bay, who in many instances handle as many psychiatric cases as those helped and handled by the psychiatric staff at the hospital, were called together prior to our meeting at the North Bay Psychiatric Hospital, briefed as to what they should say and how they should say it and drilled to make sure they gave the right answers to the Liberal health care committee.

**Hon. Mr. Grossman:** I am sure the member is not calling into question the bona fides of the hospitals in that area. If she is, she should make that direct accusation to the board of the hospital and the physicians in that hospital, because this ministry does not have the power to tell them what to do, nor would that hospital or any other hospital take directions from us with regard to what public stance to take.

The proof of all that is that various hospitals that have been appearing before the member from time to time have voiced some complaints. If she is therefore taking the position that one particular hospital had a meeting beforehand



and decided not to say things to her, she should have the courage to go into that community and say she alleges specifically that the physicians, the administrator and all the people involved were involved in some sort of conspiracy to deal with her attempts to get some headlines.

I have to tell her that, if she is as courageous as she wants to pose as being, she should stand up and make that accusation. I can answer for the ministry and for the minister in saying, point-blank and without equivocation, that any suggestion she wants to make that we ordered that to occur in that particular institution is totally, completely and entirely false.

**Mr. Wildman:** Mr. Speaker, I hope the minister will agree that psychiatric services across northern Ontario are inadequate. I hope he can now respond to the letter I sent to him with regard to psychiatric care across northern Ontario, specifically in the North Bay-Cochrane district and in Sault Ste. Marie. Can he explain why his official, Dr. Copeman, who is in charge of the underserved areas program, is not more actively involved in attracting psychiatrists to northern Ontario in general and specifically to Sault Ste. Marie, where we have only one psychiatrist serving a population of approximately 120,000 people?

**Hon. Mr. Grossman:** With respect, Mr. Speaker, I have not denied the problem with regard to the number of psychiatrists serving the member's part of the province. However, I take some exception to the suggestion that Dr. Copeman is not working hard on this problem.

2:20 p.m.

**Mr. Wildman:** That is not what I said. I said he is not as involved as he might be in attracting more psychiatric care.

**Hon. Mr. Grossman:** I want to deal with that. I object to the suggestion that Dr. Copeman is not as involved as he might be. In fact, he is spending an extraordinary amount of time in trying to solve that problem.

As I indicated earlier, I believe he is fairly close to solving it, at least as it regards North Bay. He is working with my sister ministries with regard to trying to put together whatever we have to put together to solve that problem in the northern part of this province. I do not want to pretend it is not a problem. It is a real problem. It causes us a great deal of concern and we are working very hard to try to solve it.

**Ms. Copps:** I am very glad to hear that the minister has a little less direct input in North Bay

Psychiatric Hospital than he does in the district health councils.

Why is the minister not standing up like his colleague the member for Cambridge (Mr. Barlow), who had the courage to admit, as quoted in the *Globe and Mail* of May 6, 1982, that "the money for Suncor would have been better spent on health care"? Why does the minister not have the courage to stand up and fight with his cabinet colleagues for health care?

**Hon. Mr. Grossman:** The Health critic, who has been conducting her task force and bringing back these stories, would be wise to take the following advice: "It is offensive to set up a partisan task force to report on this matter. Instead of setting themselves up as a partisan group, they should have gone in and worked with those citizens' groups and others who have been working on these problems for years." That was said by the member for Niagara Falls (Mr. Kerrio) two months ago when he was talking about the New Democratic Party task force with regard to the Niagara River pollution.

Interjections.

**The Deputy Speaker:** Order. Will the minister please conclude?

**Hon. Mr. Grossman:** Mr. Speaker, I have been waiting for the member for Hamilton Centre to ask me a question related to the task force; and the member for Niagara Falls is not here today.

I know she has been busy travelling, but may I point out to the member—

Interjections.

**The Deputy Speaker:** Order. The minister is attempting to answer a question.

**Hon. Mr. Grossman:** Just to clarify the number of answers I am going to give: the member has raised a question about district health councils and the money spent on Suncor.

First, the member raised the matter of the business-oriented new development program with the Treasurer (Mr. F. S. Miller) a moment ago and pointed out that, in her words, we had only \$120 million for capital projects. May I remind her that the BOND program relates not to capital but to operating costs; so any connection she wishes to make between the BOND program and the \$120 million we have for capital shows that perhaps she is a little confused about the purposes of that program and our capital projects.

**Ms. Copps:** So is the Treasurer and a lot of OHA people across the province.

Interjections.

**Hon. Mr. Grossman:** Mr. Speaker, I know you will be interested in this answer.

With regard to the spending of moneys on Suncor, the government will spend at least \$6 billion this year on health care. Over the course of the Suncor investment, which may last 10, 15 or 20 years, I expect the amount of money this government will spend on health care to amount to \$60 billion or \$100 billion, as compared with the \$650 million that will help secure the energy future of Ontario.

I would find the argument put by the Health critic for the NDP—for the Liberal Party; I should not make that confusion, but it is understandable—a little more credible if, for example, she and some of her colleagues would write to this government and say they are turning back all Wintario or cultural grants to their ridings to ensure that there is enough money for what she considers to be some underfunding in the system.

The member also raised the question of the district health councils. Since she asked me to address this, it may be an opportunity to remind the member that her understanding of the district health councils and appointment to them is perhaps somewhat inaccurate. Mr. Speaker, as you well know from your area, members of the district health councils are not appointed from lists provided by the government; they are appointed from lists provided from the district health councils.

Twenty per cent of the members of the district health councils are appointed directly by and from municipal councils; we have absolutely no say in that. The other 80 per cent of the members are provided from names supplied to the government, not by my colleagues and not by the provincial Progressive Conservative Party but by the district health councils. We have the authority to say we find one or two of those names less preferable than the others, but the ultimate appointment to the district health councils is by the district health council—

**An hon. member:** Time.

**The Deputy Speaker:** I agree. Time, Minister.

**Mr. J. A. Reed:** Mr. Speaker, on a point of privilege: I wonder if you could tell us whether the minister's suggestion to us that the purchase of Suncor would enhance energy security in Ontario is misleading the House.

## ECONOMIC DEVELOPMENT

**Mr. Martel:** Mr. Speaker, I have a question for the Treasurer. In a recent speech the Treasurer stated he wanted the people of Ontario to believe that this is the province of opportunity and that he is going to use the tools at his disposal in the forthcoming budget to achieve that. Does this mean the minister is now prepared to make the public investment in the manufacturing sector which would be necessary to create jobs in this province in such sectors as automotive machinery and food processing?

**Hon. F. S. Miller:** Mr. Speaker, my dear colleague knows full well he will learn that next Thursday.

**Mr. Martel:** I hope my good friend will be prepared to respond to the predictions of the Conference Board of Canada made yesterday with respect to what is happening in this province. With 550,000 people unemployed in this province and with a bleak economic outlook, will the minister consider short-term funding in housing and energy conservation and, at the same time, long-term financing to restructure the economic deficiencies in this province in such areas as the automotive industry, resource machinery, energy and food processing?

**Hon. F. S. Miller:** The honourable member has now referred to the Conference Board's report, and I did respond to it somewhat briefly the other day, pointing out that I had the great good fortune of knowing what was in my budget and how that would cure some of the economic ills of the province, also allowing for the fact that in the past, where the economic forecasts for employment and so on have been made by the Conference Board, they sometimes have been more pessimistic than we have been. History will show that on average we have been more correct than they have been.

**Mr. Cooke:** Mr. Speaker, during the first ministers' conference on the state of the economy and in the Treasurer's Blueprint for Economic Development he suggested that, "A national automotive parts programs should be implemented to enable the auto parts industry to restructure in order to meet the competition for building components for the future generation of autos."

Will the Treasurer make a commitment today that since 95 per cent of the auto industry exists here in Ontario, he will set up a provincial automotive parts program to stimulate that sector and prepare the sector here in Ontario



for the next generation of cars that are coming out?

**Hon. F. S. Miller:** Mr. Speaker, in that kind of area I would be guided by my colleague the Minister of Industry and Trade (Mr. Walker). At this moment I believe there happens to be the annual meeting of the Automotive Parts Manufacturers' Association of Canada going on in Toronto, at the Royal York Hotel.

**Mr. R. F. Johnston:** There he is; turn around.

**Hon. F. S. Miller:** There he is. I did not say, "He is there." I said, "There happens to be a conference going on at the Royal York Hotel of the Auto Parts Manufacturers' Association." Since the member brought this point up, I was there last night at the Royal York Hotel and I understand 120 Liberals and 780 conscripts were there. I happened to be on the floor below these 900 people, trying to have a quiet, peaceful little dinner with the auto parts people. There was a thumping on the floor going on, a steady thumping like a trip-hammer. We sent to find out what it was and it was the people at the Suncor table beating their heads against the wall. That literally happened.

2:30 p.m.

In any case, we are working quite seriously and we are taking the member's position seriously. We are very concerned about the need to see auto parts both fortified in terms of market and in terms of technology. I hope on one hand the auto parts technology centre that is now under way will help. And I hope, on the other, that measures taken in co-operation with the federal government—and I believe we will have their co-operation—will also help.

**Mr. Peterson:** The Treasurer disagrees with the Conference Board of Canada's figures that our gross provincial product will dip 2.1 per cent this year. I gather he disagrees that we will have the worst record in Canada.

Could the Treasurer tell us what his predictions are about how much our gross provincial product will fall this year? Will we be 10th and last or will we be eighth or ninth in terms of performance across this country?

**Hon. F. S. Miller:** Mr. Speaker, I will be giving detailed estimates in the budget. The Leader of the Opposition knows that. I do not know whether he delights in being the initiator of the belief that we are 10th and last. His previous leader tried that and was proven to be very unsuccessful.

People in this country want to have some optimism. They do not want all the baloney the

member deals out day after day. They want to hear that somebody will help them. He would not help them.

**The Deputy Speaker:** To the member for Sudbury East (Mr. Martel), thank you for allowing the disruption in rotation. Would you allow the Minister of Culture and Citizenship to answer a question previously asked?

**Mr. Martel:** We know everything is well when there are 550,000 people unemployed.

#### EMPLOYEE HEALTH AND SAFETY

**Mr. Martel:** Mr. Speaker, I have a question for the Minister of Labour. Is he aware that in Sudbury one of his inspectors is in the process of sabotaging a health and safety committee formed between the Canadian Union of Public Employees and the Sudbury District Roman Catholic Separate School Board?

The minister is aware of a letter that was sent to him last week and I want to quote from that letter which states:

"Local 1369 of CUPE is the bargaining agent for the workers employed by the Sudbury District Roman Catholic Separate School Board. We have spent nearly a year in discussion with the board regarding the structure and responsibility of the joint health and safety committee. After many hours of discussion we finally came to an agreement that both the union and the board felt would work.

"I must point out that at no time did we require any input from your ministry. However, it is being sabotaged by your inspector. An inspector in that area is advising members of the committee that it has no power and no standing under the Occupational Health and Safety Act."

Does the minister not realize that voluntary committees without any power under the act reduce the act to a virtual toothless tiger?

**Hon. Mr. Ramsay:** Mr. Speaker, I am aware of the circumstances the member for Sudbury East has described to me. We have that matter before the legal branch at the present time for an interpretation and we expect to follow up on it very shortly.

**Mr. Martel:** To prove that my friend, the minister, himself is not a pussycat, even if the act is, is he prepared now to comply with the request by CUPE that he use subsection 8(3) of the act? Will he write an order declaring that the joint health and safety committee established at the work site be recognized as having full powers and responsibilities spelled out under the act?



**Hon. Mr. Ramsay:** Mr. Speaker, as soon as I have an opinion from the legal branch I will be making a decision of that nature.

**Mr. Martel:** Does the ministry not recognize the hypocrisy in the way this act is being applied? In Sudbury because there are not 20 workers on a work site, there is a voluntary committee that has no power.

Is the minister aware that in Ottawa at the present time the department of physical environment has six work sites with more than 20 employees in each and the city is refusing to recognize them as work sites which would give them the right to have committees with full power under the act? Is the minister now prepared to move in on the city of Ottawa and use his power under subsection 8(3) which says that they, by subsection 8(2) of the act, have the right to those committees by law?

**Hon. Mr. Ramsay:** I am also aware of the circumstances the honourable member has described. In response to both circumstances he has brought to our attention today, until I am absolutely convinced we cannot do it on a voluntary basis I am not going to do it on a compulsory basis. I think the act was set up to do it voluntarily with the full co-operation of both parties. That is what we are striving for. Only when I am fully and completely convinced that will not work will I take mandatory action.

#### McMICHAEL CANADIAN COLLECTION

**Hon. Mr. McCaffrey:** Mr. Speaker, last Friday the Leader of the Opposition asked a question on the McMichael Canadian Collection. I apologize for not getting back to him until now. I was not satisfied at the end of question period on Friday with the tentative answer I had given and indicated that in a note to him. I was out of town until yesterday. It is a long answer. I trust the Leader of the Opposition will bear with me if I just touch on the highlights of it.

**The Deputy Speaker:** Order. May I say to the minister that we have had problems from time to time with long answers. He has indicated he will highlight it. I trust the highlight will be extremely short.

**Hon. Mr. McCaffrey:** Mr. Speaker, that is precisely what I intend to do.

Mr. Bell, director and chief executive officer of the McMichael Canadian Collection, has proposed that the tour to the midwestern United States be postponed for approximately a year and a half. I have been assured he is planning to

consult with US officials to see if some alternative arrangements might be made.

He will also investigate what works from the collection might be made available without jeopardizing the exhibitions already planned for the opening at Kleinburg. I think most people realize the partial reopening is scheduled, and on target, for June 15.

I believe these alternatives could include a tour of some different works than those originally proposed, the 45 the member alluded to, or the delay of the tour as suggested earlier. I realize Mr. Bell confirmed the commitment to the US tour in February. I feel the subsequent turnaround was unfortunate.

The member must realize, however, that Mr. Bell decided to confirm the tour at a time when many of his energies were required for reorientation of staff, establishing his presence as director and chief executive officer of that gallery and, of course, appearing before the standing committee on social development which was examining the new act at that time.

I understand Mr. Bell spoke with the US museum officials yesterday. He proposed alternative works for the tour and although they, in the US, are naturally disappointed he will continue to work with them.

**The Deputy Speaker:** I thank the minister for his brevity.

**Mr. Peterson:** Mr. Speaker, as I understand the minister's statement, I gather one of his options is to provide an alternative travelling show now or else wait for some months. He is aware contracts have been entered into in the United States on the basis of the undertaking by Mr. Bell. If it does not go through, is he worried about any legal jeopardy the gallery could suffer because of those contracts entered into in good faith on behalf of the American promoters?

**Hon. Mr. McCaffrey:** That is a good question. I am not unaware of those legal implications. I am not concerned about them at the moment because I think there is a legitimate and serious spirit of goodwill, both on the US side and certainly on the part of Mr. Bell, to see if alternative works can now be made available at least to facilitate the earlier US proposals.

#### ONTARIO ENERGY INVESTMENT

**Mr. Peterson:** Mr. Speaker, I have a new question for the Treasurer. The Treasurer is aware the Minister of Energy (Mr. Welch) has told us on numerous occasions that we have had considerable information with respect to the



Suncor purchase. However, on Tuesday the Treasurer said in the House, and I quote from Instant Hansard, "I think it is very easy to sit with incomplete information and come up with incomplete answers."

I am sure he now probably understands the absurdity of the statement he made on Tuesday. Did he realize that what he was saying was no one could criticize the Suncor purchase because he did not have the information? It is the government that is failing to provide that information. Does the Treasurer not feel we have a right to know? Does he not feel this should have been subjected to independent scrutiny, and does he not feel he has completely mishandled this business from the beginning?

2:40 p.m.

**Hon. F. S. Miller:** Mr. Speaker, the member knows the context of that response. It relates to an article that led off the question period that day, and I was referring to the person writing the article. I also pointed out in answer to questions that it was my understanding we had requested permission to release the balance of information and that permission was denied. There is certain other information, as my colleague has pointed out, that would have been available, had he had his way.

**Mr. Peterson:** What the Treasurer is saying is that we will never know, because he does not have the right to give out that information. We have incomplete information, and we will never have the correct information. Therefore, no one will ever know. He has spent \$650 million for which he, as Treasurer, is responsible, in a way that will never be turned up to the light of public scrutiny. He should be very happy about that.

I was asked to name financial analysts who disagreed on the basis of what little we could all determine at the time. Let me give a list of the people who did know, because I assume they had some access to the confidential information the Treasurer will not release. After looking at it they decided they would not touch it. One is Noranda, another is Hiram Walker—

**The Deputy Speaker:** Is this in the form of a question?

**Mr. Peterson:** Mr. Speaker, is the minister aware that Noranda, Hiram Walker, Brascan, Seagram's and a variety of other companies, up to 15 I am told, looked at that company from the point of view of making an investment, presumably having access to all the information, and that they determined it was not a good invest-

ment? How could the Treasurer have determined it was a good investment?

**Hon. F. S. Miller:** I have no idea, because I was not privy to any of those companies' approaches. I have no idea how much of the information they saw that we saw. How would I know? I was not in their boardrooms. But these are not the kinds of people my colleague the Minister of Energy challenged the member to produce. He challenged him to produce investment dealers and analysts who are professionals and who would have said the same thing.

**Mr. Wildman:** Mr. Speaker, in view of the response of the Treasurer and the response of his colleague the Minister of Energy the other day with regard to what he would have liked to have seen happen with the confidentiality agreement, how can the Treasurer justify living up to this agreement with Suncor to maintain confidentiality and at the same time not provide information to the taxpayers of this province? Is it not true that the only way to get out of this agreement and to have an accurate study of all the facts is to have a public inquiry or royal commission?

**Hon. F. S. Miller:** Apart from this specific information, the government is often privy to all kinds of information of a classified nature about all kinds of matters. Through the select committee process, there have been times when information has been deemed confidential. This is not a question of denying information to the member or me as citizens, but because it is the kind of information that could be used against a corporation by its competitors.

## ECONOMIC DEVELOPMENT

**Mr. Cooke:** Mr. Speaker, I have a question for the Treasurer on the Conference Board of Canada report. This report indicated that economic growth in this province was going to be minus 2.1 per cent and that unemployment was going to increase to well over seven per cent, approaching eight per cent—and we are close to that already, even though the Treasurer said this was a worst-case scenario.

Since both aspects of the Treasurer's plan of economic growth, through more foreign investment and the megaprojects, have fallen apart, is it not about time the government took the lead in economic planning? Is it not time the government accepted that, at a time of recession, the government must take an interventionist approach and lead the economy, rather than trying to rely on the private sector, which has

failed this province in the creation of jobs in the last number of years?

**Hon. F. S. Miller:** Mr. Speaker, the private sector has not only not failed to provide jobs in this province in the last few years, it has produced jobs at a rate that has not been equalled elsewhere in the developed world. The member should know that. That is a fact.

Second, I take exception to his easy use of figures. The member was using the figure of 550,000 unemployed this morning. I do not know where he got that figure. That is his estimation. The latest figure I saw from StatsCan was 398,000. I am not proud of that either but he has been inflating it by about 150,000 people as if he had some facts to show that.

I will be taking measures in my budget that I believe are important and I can only ask the member to have the patience and forbearance to wait until then.

**Mr. Cooke:** The 544,000 was a figure StatsCan released; it included those who are traditionally categorized under its very rigid definition of unemployment, plus those who are hidden unemployed in this province.

In the budget the Treasurer will be bringing down next week, would he not accept the principle that the people who are at the lowest income levels in this province need some protection? Will he not accept that we need to look at specific sectors of the economy—such as auto, machinery and food processing—that have huge and increasing deficits? But while those are huge deficits, they offer huge opportunities for job creation.

Would the minister not finally accept that in those sectors the private sector has failed to come in with import replacement and it is time this government took the lead and showed some economic leadership and planning to create jobs in the province?

**Hon. F. S. Miller:** I will not agree with the member's assumption that the private sector does not work nor will I ever agree with that assumption.

**Mr. Cooke:** Tell that to the 540,000 people who are unemployed.

**Hon. F. S. Miller:** If the member's party was running this province that number would double. It is as simple as that because their system has never worked anywhere.

He should go to Great Britain and look at the levels. He will find that wherever Socialists have been in power they have destroyed the basic economy and it cannot be recovered once the

Conservatives get back in because there is not time. They just undo it all. He knows they do.

### LIVESTOCK DEALERS' LICENSING

**Mr. Watson:** Mr. Speaker, a question for the Minister of Agriculture and Food.

There is concern in western Ontario about the financial position of the cattle dealer named Stewart McIntyre of Appin. Does the minister have any knowledge of the financial problems and can he advise the House as to the extent of losses that might be incurred in this situation?

**Mr. Martel:** It just so happens you have it right there.

**Hon. Mr. Timbrell:** We happen to be on top of things over here.

Mr. Speaker, yesterday our ministry did become aware of an indication of some problems involving this livestock dealer. Since then I have had Dr. McDermid, the executive director of the quality and standards division, and his staff investigating. At this point I have some preliminary figures which I would rather not use until I have a complete report. Once I have such a report from Dr. McDermid and his staff I will be happy to share the figures with the member to address his concerns and those of his constituents.

**Mr. Watson:** Mr. Speaker, has the minister had discussions with any of the people in the red meat industry, particularly the Ontario Cattlemen's Association, concerning this? Are they prepared to participate in some kind of protection system to help out in situations such as this?

**Hon. Mr. Timbrell:** Mr. Speaker, I met with the cattlemen's association about two weeks ago and we did discuss the question of financial protection and the question of the licensing of dealers, sales and processors, among other things. At that time I put the question to each executive member of the association who was present as to what his position was. I think it is fair to say there was not a consensus in support of either compulsory licensing or some form of voluntary licensing scheme.

I will be meeting with them again today. I have asked them to come in because of my concern about this report I got yesterday and which is still under investigation. I think this is an example of the kind of thing we should be trying to prevent through a licensing and financial protection plan.

2:50 p.m.

**Mr. Ruston:** Mr. Speaker, it is a very important matter when a farmer in my area has a



\$160,000 cheque that bounces because of a domino effect of, I think, McIntyre and then the sales yard in Chatham. Is the minister checking to see if the Royal Bank of Canada is holding these cheques more than 24 hours so they then can seize the cheque under the writ from McIntyre for his stock, but yet McIntyre's cheques then were NSF because the bank seized his assets?

**Hon. Mr. Timbrell:** The honourable member would know better than I, but the number of transactions involved is bound to be considerable. Quite frankly, in 24 hours it has not been possible for my staff to delve into every transaction of this dealer, the producers, the yard and everybody else involved.

In addition to the work Dr. McDermid and his staff are doing through the quality and standards division, I have had other staff of the ministry pursuing the matter with the bank. We hope to amass a complete picture of what has happened and what can or should be done.

**Mr. MacDonald:** Mr. Speaker, I understand that last year this livestock producer had a turnover in the range of \$35 million. Will the investigation the minister is making give us some indication of what the impact is of this kind of collapse, not only on individual farmers but on agribusiness, and I shall be generous and include the banks?

**Hon. Mr. Timbrell:** I am sure they will appreciate that. The member might want to send them an initialled copy of Hansard.

**Mr. MacDonald:** They will not believe it.

**Hon. Mr. Timbrell:** I will cosign your X.

**Mr. Martel:** With another X?

**Hon. Mr. Timbrell:** Two.

I think it should be obvious to the honourable member, by the concern evidenced by the member for Chatham-Kent (Mr. Watson) and the member for Essex North (Mr. Ruston), that this sort of thing can have an impact on a great many people in different sectors of the red meat industry.

Even though we spoke of it with the cattlemen's association only two weeks ago, I have asked them to come in again today. I will see them within the next half hour to discuss it further because, quite frankly, more and more I am inclined to believe that some compulsory licensing and financial protection plan is probably in the best interests of all concerned.

#### HYDRO EXPORTS

**Mr. Elston:** Mr. Speaker, a question to the

Minister of the Environment: On January 19, 1982, the Minister of the Environment's federal cousin, John Fraser, the former federal Minister of the Environment, stated that if the General Public Utilities export were approved without conditions on air emissions, "the Americans will be able to crucify us saying we are a pack of hypocrites."

In light of this comment, and of this minister's promise of March 15, 1982, that this export will be a clean one, how will he make sure that it is a clean export and ensure that his well-intentioned legal interventions in the US are not viewed as being hypocritical?

**Hon. Mr. Norton:** Mr. Speaker, the Honourable John Fraser is a man who has a high degree of credibility in the United States and has been very effective in his work in Washington on this issue. As far as initiatives at the federal level in this country are concerned, even the present minister acknowledges that it was John Fraser who really turned the federal government in the direction that the Ontario government had been leading for some time. For that support, we are really very grateful.

As I recall, I did have some communication from the Honourable John Fraser, and I think he also would understand the process and realize that process is not yet complete. One of three levels of approval has been granted. There are two yet to go, so I think the member is jumping the gun a little bit.

**Mr. Elston:** Let us try and get the gun loaded so that we are ready to deliver the shell when the time is right, Mr. Speaker. Let me remind the minister that last Monday when he was addressing the Canadian Bar Association on the topic of public participation in environmental decision-making, he said: "While government may have an array of experts at hand to consult on a given issue, there is no question that it has a surer guarantee of complete and accurate"—and I would add emphasis—"information if the public is also involved. With the opinions of the many competing and interested parties on a given proposal laid before government, decisions will be made"—again I add emphasis—"which more readily reflect the public interest."

Given the sincerity of these words expressed by the minister, would he consider holding a special hearing—which could be relatively short—dealing exclusively with environmentally related concerns of the GPU deal, which would follow the intent of the Environmental Assessment Act, rather than conducting an in-house

review in his ministry and the in-camera discussions which are taking place with Ontario Hydro?

**Hon. Mr. Norton:** If that is the only question the honourable member is asking I can respond very briefly.

I can assure the honourable member that many options have been examined for dealing with this matter in preparation for it coming before cabinet. I will be making certain recommendations to my colleagues on the matter. In the collegial tradition of parliamentary democracy, we will be making our decision in due course, at which time we will advise the honourable members.

**Mr. Sargent:** On a point of order, Mr. Speaker: The minister said there had been two approvals on the GPU. According to a story by Tom Claridge, GPU denied having approved any part of any purchase of power from the Ontario government.

**The Deputy Speaker:** I have sad news for you: that is not a point of order. The opportunity for rotation will come shortly. As soon as we are finished with the supplementary to the question by the member for Hamilton Mountain (Mr. Charlton), you will have an opportunity for a brand new question.

**Mr. Sargent:** Come on; let us find the answer here. What is wrong with you?

**The Deputy Speaker:** I am just as anxious as you are about the answer. But let us go on with question period. You are just wasting time.

**Mr. Charlton:** Mr. Speaker, in light of the efforts by the minister and some federal efforts across the border to deal with the acid rain situation, the decision to approve the GPU sale has been perceived by the public, especially on the other side of the border, as hypocritical. In the fight to reduce the emissions from the other side of the border, does the minister not feel that it is in his best interests to do whatever he possibly can to get as many facts out publicly as he is capable of getting out?

Even if it is not formally structured under the Environmental Assessment Act, would not a public hearing go a long way towards dealing with the question of the information that is out there publicly?

**Hon. Mr. Norton:** Mr. Speaker, first of all I have an impulse to respond to the member for Grey-Bruce (Mr. Sargent).

**The Deputy Speaker:** But you will wait.

**Hon. Mr. Norton:** He has been very sincere in the question he wants to ask. I would simply say the approval I was referring to was that of the National Energy Board.

**The Deputy Speaker:** Order. His time is coming. We fought last time on this.

**Hon. Mr. Norton:** All right. I will respond to the next question. I will talk to the member later behind the chair.

**Hon. Mr. Davis:** There is a challenge, Eddie—behind the chair.

**Hon. Mr. Norton:** The member refers to allegations of hypocrisy, which I believe come mainly from two sources—I say this on very good information because we maintain close contact with what is going on in the United States, particularly in Washington—the coal producers and power generators in the United States and the critics in Ontario.

If one believed in the conspiracy theory, it would appear that the member may be in league with the coal lobbyists in the United States, because he is mouthing the same things. Let me assure him we will use every opportunity, as we have done throughout this issue and the broader issue of acid precipitation, to disseminate the correct information as it develops and as new information is available. This week I have been on two or three open-line radio programs responding to questions from the public and explaining the facts about this issue. I will continue to do that.

**3 p.m.**

If the member is suggesting there are other ways of disseminating information accurately, I will consider any reasonable, additional efforts, because it is in our best interest and in the best interests of the people of this province that correct information be disseminated. I would suggest to the member that it appears there are some people who are in the dissemination business whose facts are not correct.

#### URBAN TRANSPORTATION DEVELOPMENT CORP.

**Mr. Samis:** Mr. Speaker, I have a totally nonconspiratorial question for the Minister of Transportation and Communications regarding the Urban Transportation Development Corp. deal with Detroit.

Since the deal was first announced by the Premier (Mr. Davis) two weeks ago in the House and no subsequent information has been disclosed by either the minister or the Premier to the House, could the minister now inform the



House about the deal in terms of how many jobs it means for Ontario, what kind of performance bond is Ontario or the UTDC committed to posting as part of the deal, and what type of production we will be getting as part of the deal?

**Hon. Mr. Snow:** Very roughly, Mr. Speaker, the contract for the Detroit system is about \$110 million. Approximately 50 per cent of that contract will be put into place in Detroit. That is the civil engineering, the building of the concrete structures, the electrical substations, and all of that type of construction which obviously has to be put into place at the site.

The other 50 per cent will be Canadian content and will include the cars that will be built at the Kingston facility and other products that will be Canadian manufactured. There are literally hundreds of subcontractors who supply parts and pieces for the cars.

It is very difficult for me to put a figure on the number of actual jobs that would be produced, but there will be \$55 million of economic activity, a great deal of it going into materials and wages here in Ontario and in other Canadian provinces, that will be exported to the city of Detroit.

**Mr. Samis:** I would call the attention of the minister to the fact that I asked about the performance bond; whether or not UTDC is obliged to post one, and if so, how much.

Secondly, since apparently only \$19.6 million of the total \$110 million cost of the project has been authorized by the American Congress, and since the Southeastern Michigan Transportation Authority has had to make its case for additional funding from the American federal government each year, I gather, and since the future of the project depends on the performance of the American economy and the will of the US Congress, can the minister inform the House exactly what degree of certitude and commitment this project has from the American government and what commitments have been made to UTDC as to completion, funding and other types of deadlines?

**Hon. Mr. Snow:** I do not have it with me today. I carried some of this material for several days anticipating such questions, which were not forthcoming. I can supply the member with a photocopy of the estimates tabled in Washington. These are the recommendations in the estimates of the Secretary of Transportation, federal government, USA, which show the proposed cash flow over a four-year period for this project.

As I am sure the member must realize, a similar situation arises many times in this province where I give a commitment, or this government gives a commitment to a municipality to carry out the construction of a road or a bridge over a period of three or four years. I cannot give a definite, ironclad commitment beyond the one year, which is the year in which the funds are voted by this Legislature.

I think the same situation applies in the United States. The \$19.5 million, or whatever it is, is voted for this year. I have seen copies of correspondence from the federal government in Washington to the city of Detroit setting out the proposed cash flow over the next four years which includes, I believe, 80 per cent of the \$110 million which is being provided federally.

I believe I am safe in saying it was not the federal administration that put this project into the budget. It was the Congress of the United States that insisted this money be put in. Congress made the commitment. Congress insisted the money be included this year and I fully expect Congress will insist the ongoing funding take place.

There is a performance bond. If the member wants more information, I would be happy to table copies of the contract, perhaps on Monday. I do not have them with me today. Because of commitments in northern Ontario, I will not be in the House tomorrow, but if the member wishes I will table copies of the contract on Monday and perhaps copies of the letters from the Secretary of Transportation which I am sure will answer all the questions. There is a performance bond. I cannot tell him the exact amount offhand.

**Mr. Epp:** Mr. Speaker, given the fact UTDC wasted hundreds of thousands of dollars buying luxurious homes in British Columbia for some of its personnel, would the minister give a commitment to this Legislature that he will inform UTDC his government would frown on any purchase of homes in Detroit or in Michigan for UTDC personnel if it chooses to do so?

**Hon. Mr. Snow:** Mr. Speaker, I do not accept the member's oratory at the beginning of what eventually ended up as a question, I guess, that the UTDC has wasted money buying houses in the city of Vancouver. If he only understood a little about business, he would know that when one relocates employees in a situation like that on a short-term basis one has to assist them with their housing needs.

If the member had been with me on the day, a few weeks ago, when the mayor of Vancouver

was in the House during question period and was interviewed in the corridor later, he would have heard him say to the press, which was asking him about this matter, that UTDC probably will end up making a substantial profit on the houses it bought in Vancouver when they are sold after the project is completed. I am sure if there is a profit on that, it goes back into the contract.

To get back to the question, I cannot give him a guarantee we will not have to assist in some way senior staff or staff we transfer to Detroit to carry out a contract. I hope the member understands we cannot carry out a \$110-million contract in Detroit without having any people there to do it. Maybe he can, but I cannot. I understand the housing situation in Detroit is something altogether different. I hope it will not be necessary to invest in real estate in Detroit.

#### GREAT LAKES FOREST AGREEMENT

**Mr. J. A. Reed:** Mr. Speaker, I have a question for the Premier. I remind the Premier of a question I asked the Minister of Natural Resources (Mr. Pope) a few weeks ago concerning the lack of government action in the mediation process with the Whitedog Indian band concerning mercury health claims, which ended unsuccessfully last May.

The Premier will recall the minister stated: "We started off with some 30 issues that had to be resolved with respect to financial matters and resource allocation matters. Most of them have been resolved." Can the Premier explain the discrepancy between that statement and a statement in a letter from a negotiator for the Whitedog Indian band to the Premier two weeks ago?

**3:10 p.m.**

The letter states, "Contrary to the inference of one of your ministers in the House in recent days, not one major issue in the Ontario package has been resolved after 40 months of meetings with Ontario officials." Will the Premier tell us why the province refuses to settle with the band on the outstanding issues still to be negotiated? Will he now admit the negotiation process that was set up was simply a public relations gesture?

**Hon. Mr. Davis:** Mr. Speaker, I feel badly that the member would put that connotation on it. I do not think he really believes the latter part of his question. In case he does, I will disabuse him of that and say the answer is very simply no. If he wishes to raise some of his concerns with the

minister who has responsibility in this area, he can ask him again.

#### CHILDREN'S MENTAL HEALTH SERVICES

**Mr. Cooke:** On a point of order, Mr. Speaker: I want to point out, Mr. Speaker, that I have discussed this matter with the Minister of Community and Social Services and I am hoping that very soon he will answer the question I asked two and a half weeks ago. He indicated the other day he would reply to it in the House, and he has made that indication to me now for about a week and a half. I know our facts are pretty well correct this time. Maybe that is why he does not want to answer it.

**Hon. Mr. Drea:** Mr. Speaker, with a degree of fairness, the member talked to me the other day and I told him I was replying to him in writing. I have never seen a guy who cannot keep his head straight for two days. Does he want the answer in writing or does he want it here?

**Mr. Cooke:** Don't be stupid. You told me you were answering it here. You were going to read it out here. I don't think your head works.

#### INTRODUCTION OF BILL

##### ASSESSMENT AMENDMENT ACT

Mr. Boudria moved, seconded by Mr. Epp, first reading of Bill 102, An Act to amend the Assessment Act.

Motion agreed to.

**Mr. Boudria:** Mr. Speaker, the bill provides an informal procedure whereby the 1981 and 1982 assessment of real property in which urea formaldehyde foam insulation was installed before December 18, 1980, may be reduced by half and any overpayment of taxes may be refunded. The bill also provides that in an ordinary assessment appeal it shall be presumed that the value of real property in which urea formaldehyde foam insulation was installed before December 18, 1980, has thereby been reduced by half. It is my hope the provincial government will reimburse municipalities for all revenues that would potentially be lost in this process.

**Mr. Di Santo:** Can we speak on the bill, Mr. Speaker? Since this bill was already introduced by my colleague the member for Welland-Thorold (Mr. Swart), I wonder whether at this point we can make a few—

**The Deputy Speaker:** No.



## ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I would like to table the answers to questions 31, 57, 86, 87, 94, 97, 99 and 100 and the interim answer to question 93 [see Hansard for Friday, May 7].

## ORDERS OF THE DAY

### PRIVATE MEMBERS' PUBLIC BUSINESS

#### RESIDENTIAL TENANCIES AMENDMENT ACT

Mr. Philip moved second reading of Bill 57, An Act to amend the Residential Tenancies Act.

**The Deputy Speaker:** Order for a moment. Will all members please tone down their private conversations? It is always difficult during private members' hour, when the first speaker is about to begin, with people still talking as they are leaving the chamber, including the Minister of Energy (Mr. Welch) and the member for Sudbury East (Mr. Martel).

Interjections.

**The Deputy Speaker:** I would like to remind the member he has 20 minutes. If he would like to reserve any part of that time for a summation, he should so indicate to the chair.

**Mr. Philip:** Yes, Mr. Speaker, I will take two minutes to summarize at the end, if that meets with the pleasure of the House.

The purpose of this bill is quite simple. It is to extend to all tenants of new buildings the same rights and privileges as tenants of older buildings. It is to put an end to the excessive rent increases in post-1976 buildings. There is a principle behind this bill, which is that it is unfair and illogical that there should be two classes of tenants, those protected by rent review and those unprotected simply because their building was occupied after January 1, 1976.

As most members of this House have stated on different occasions and in different forums, if we believe in the rent review system, if we believe that it is worth having at all, then surely it is worth having by all. At the present time there are something like 960,000 controlled rental units in Ontario. Four hundred and fifty thousand of these are located in Metropolitan Toronto. Another way of looking at this is that one million residents of Toronto, or 38 per cent, are living in rent control or rent review buildings.

There are, however, 540,000 rental units in

Ontario which are exempt from controls. Even if we subtract from those the 83,675 units that are under the Ontario Housing Corp., even if we exempt nonprofit housing in its various forms, and even if we exempt those buildings that have been exempted because their rents are over \$750 a month, we are still left with a very large number of units—an increasingly larger number of units as a matter of fact—that are not covered by rent review whatsoever.

In some parts of this province, such as Scarborough, Mississauga and Rexdale where land is more readily accessible, those buildings exempt from rent controls can equal those covered by rent review at the present time. These are the areas that are developing. These are the areas where new construction has gone in in recent years. Thus, a very large number of people in the communities that I, the Mississauga members and the Scarborough members represent—and the member for Downsview (Mr. Di Santo) represents, he informs me—have large numbers of buildings and a large percentage of rental units that are not covered under rent review at the present time.

As rents skyrocket in the downtown areas of Toronto and other cities, as rooming houses are gradually converted to luxury town homes, as older buildings are demolished, seniors, poor people and ex-psychiatric patients are flooding to the suburbs, to the very areas which have the buildings that are not under rent review whatsoever. It is those very poor people, those lower-income people who are being forced into the buildings without rent controls. They can often be staggered by a \$150 rent increase in one year.

**3:20 p.m.**

I remind members that studies such as the 1974 Central Mortgage and Housing Corp. survey shows that single parents and seniors are the most likely to benefit by rent review. But because of the system of demolition that this government has allowed in the centre core of the city, because of the increase in luxury condominiums and other uses for the downtown areas, the people who are being forced into non-rent-controlled buildings are the very people who can least afford to pay the rents in those buildings.

Where will these people live? OHC's own figures show that the rate of turnover is declining. In each of the last three years it has been down one percentage point and the waiting list gets longer and longer.

It is a serious problem when it makes the front page of local community newspapers. I refer the

members to the front page of the Etobicoke Advertiser/Guardian of yesterday. It just shows how current the problem is. The headline on the front page is not the usual headline one sees in community newspapers, but it is a description of the problem we are facing in the Rexdale area and in many other areas of this city. The headline is "His parishioners bailing out." A smaller heading reads "Huge rent increases drive families from building."

The article says: "Father Patrick Doran of St. Andrew's Catholic Church told the Advertiser/Guardian five families left the church and moved away in the last two weeks because they could not pay the \$100 to \$150 monthly rent increases. Father Doran expects more families to leave. 'It's a great concern to the priests here, but what can we do?' asks Father Doran. 'We're losing a lot of parishioners when the leases come up. Many are single parents, broken families and underprivileged people.' Father Doran knows one family with three children moving at the end of May from their Annabelle Towers apartment on Kipling Avenue to smaller, shabbier rooms in Toronto after their rent of \$400 jumped to \$520."

The buildings that Father Doran is talking about on the front page of the Etobicoke Advertiser/Guardian are buildings that are exempt from rent review because they were occupied after January 1, 1976. The people he is talking about are real people, people he deals with day after day in what can only be described as a very courageous service by one of the greatest people I have run into in our community.

Where are these people going to go? Where are the unemployed going to go?

This bill is an attempt to rectify the injustice which commenced in 1975 and was repeated in 1977 with the revision of the Residential Tenancies Act. Needless to say, it was a disappointment to me and my colleagues in the New Democratic Party, and more particularly to the various tenant groups we worked with across this province, when under the minority government the Liberals chose to vote with the Conservatives and the landlords against the amendment that in 1977 would have done the very thing we are attempting to do today.

I did not expect the Conservatives, who had to be dragged into rent review by Stephen Lewis and the NDP, to go along with the removal of the exemption, but one would have thought the Liberals in their pragmatic way, knowing full well the tenants outnumber landlords, would

have at least voted for their constituents and not for the landlords. Instead, in some bizarre fashion under the minority government, when the Liberals could have made the change they chose to vote for the landlords against their constituents and with the Tories.

I am told some of them are now thinking of voting for this bill. These fellows will probably vote against it. Their tears, their empathy for their constituents and for their tenants is a little bit misplaced. I hope they will show this death-bed repentance, but it is a little late. We welcome their vote on the bill, assuming that the rascals do not block it.

**Mr. Ruprecht:** Keep this up and we'll change our minds.

**Mr. Philip:** They can vote against it if they want to. It is their choice. That is fine. They voted against it before. They can do it again if that is their choice, but I say to them that I think my arguments will persuade even those people that they have to vote for it.

The developers argue that the rent control system at present discourages, and particularly with its extension to new buildings would further discourage, new rental construction. However, even without rent control on new buildings construction is down. In recent times new rental accommodation has not been built. The irony is the development industry is begging for more and more handouts, while in boom time it is the first to attack government intervention in the private enterprise system.

As early as a year and a half ago federal Minister of Housing Paul Cosgrove argued we should remove rent review entirely to stimulate rental construction. At that time I challenged him, in a debate on the Shulman File, to show one bit of evidence that rent review was responsible for the slowdown in construction. He could not.

I asked Mr. Cosgrove to explain why, the year after Alberta removed rent review entirely, rental construction starts hit a 14-year low. He would not offer any kind of explanation. He knew who the culprit was. He knew it was not rent control that was stopping construction. He knew it was his made-in-US economic policies that were stopping rental construction in this city and that he was the one who was largely responsible for it.

We face the argument that even though the removal of rent review in its entirety in other provinces has not stimulated the construction of apartment buildings, keeping out one small



section of it will somehow stimulate construction.

That is as crazy as saying that if the Treasurer (Mr. F. S. Miller) pumps a million dollars into an industry it will have no effect but we are going to pump in a quarter of a million dollars because it will have some effect. The logic just escapes the imagination.

Under this bill the landlord would set his own base rent. It would mean he would set a rent that would provide him with a reasonable rate of return on his investment, and would take into account the present mortgage costs and so forth. He would decide the base rent, but from there on the building would be covered under rent review. Surely this would at least stop the loss-leader technique of filling buildings.

The landlord, and there are numerous examples in my riding and across the province, sets a reasonable rent for the first year of his operations. He is thereby able to fill his building quickly and has a larger number of applicants to pick and choose from. People are attracted away from rent review buildings into new buildings because they have to pay only a little more; it may even be the same price.

Then after one year, zap, up goes the rent. They remove their children from schools and put them into new schools. They may have spent a lot of money on moving or in decorating their new apartments and then, suddenly, up goes the rent. If all buildings were covered under rent review this kind of trickery by landlords would not continue to take place.

Why should we not have the more rational approach of allowing the new landlord to set his base rent and be under rent review from then on? It is not as though landlords who are under rent review are losing money. If we look at the average rent increases granted by rent review for those landlords who have made application, we see it is above the rate of inflation. That does not take into account the even greater profits they are making by capital appreciation, which in one year in Toronto alone amounted to 23 per cent return on investment without taking into account any profits.

This bill would have been less necessary had this government taken other actions which we in the New Democratic Party and the tenant movement have called for.

Why is it that Bill Pr13 has not yet been scheduled? I see the chairman of the standing committee on administration of justice over there. Maybe he can answer that question. It was first referred to another committee for a

long period of time, then shuffled into his committee and it still is not scheduled. The fact is this government is doing everything it can to make sure Bill Pr13 does not come up in this House.

As long as Bill Pr13 does not come up in this House, the Tories will not have to vote against their constituents and will not have to deal with the problem of demolition in their ridings.

**3:30 p.m.**

Pr 13 is a reasonable bill. It would give Toronto the right to say to a landlord: "No, you may not demolish this building. It has no major structural problems. It is a safe building. The number of inhabitants in the building is complementary to the zoning we have placed in that area."

Already the Attorney General (Mr. McMurtry), the member for Wilson Heights (Mr. Rotenberg) and the Minister of Municipal Affairs and Housing (Mr. Bennett) have stated publicly that they are in opposition to Bill Pr13 and to a larger bill I have introduced that would encompass a number of municipalities. It is quite similar to this one.

They have stated that they do not want to interfere with property rights. But what about the rights of those seniors in the Attorney General's riding who are being driven from their neighbourhood, from their clubs and the synagogues in that area, from their cultural groups? What about those who are driven into buildings exempt from rent review where rents can skyrocket \$150 in one year, which has often been the case?

This bill will not overcome the culture shock those people in the Attorney General's riding face as they move into the suburbs, but at least it will give them some stability in their rent. It will provide some small comfort for the fact that this government has already indicated it will stop the demolition bill from passing.

Similarly, this government has failed to act in any way to prevent the removal of existing controlled units from rent review by making cosmetic changes and evicting the tenants to do so. Tenants groups and we in the NDP have told the government about these problems. I, in turn, have introduced private member's bills dealing in a very precise way with how we can control that kind of manipulation by developers. This government continues to meet with tenants—even though these bills have been endorsed by the tenants' groups—and says it is studying the situation. That is the new minister's latest response.

One would have hoped the new minister at least would have had something prepared by the previous minister that would say: "Here are reasonable demands by tenant groups. Here are reasonable bills introduced by the NDP. Here are reasonable ways of making rent review work." But they refused to do so. So what we have is a situation where the downtown cores of cities are gradually becoming the ghettos of the rich, and others are being forced into the suburbs which have large numbers of buildings that are not covered by rent review whatsoever.

Yesterday I attended the funeral of a man I have disagreed with politically. I did not agree with his choice of political party, but very few people I have met have done as much for tenants in this city. Nelson Clarke was a man who devoted a large amount of his energies to working for those people. It was tragic that he passed away on the weekend.

I found some of the eulogies a little—what shall I say?—to the left of the political philosophy I might adopt, but none the less he was a man who had devoted his time and energy to try to educate all of us. Maybe his work on behalf of tenants might be well served—and I cannot help but think he would appreciate it—if at least one of the bills which he approved of and which he urged on this government were passed in this House. That would be a memorial to a man who I think was misguided politically but who was certainly very sensitive, very intelligent and very perceptive about what was needed on behalf of tenants. Perhaps better than any eulogy, the passage of this bill would be a tribute to Nelson Clarke.

**Mr. Di Santo:** Mr. Speaker, before we proceed, I have a point of order. This seems to be a very important bill, and I am sure the contribution of my colleague will be important. Could we check for a quorum?

The Acting Speaker (Mr. Cousens) ordered the bells to be rung.

3:39 p.m.

**The Acting Speaker:** We have a quorum.

**Mr. Treleaven:** Mr. Speaker, I wish to thank the member for Downsview (Mr. Di Santo), because I could scrape up only four members to come and hear me and my ego was hurting. So I thank him very much.

With regard to the remarks made by the member for Etobicoke (Mr. Philip), may I first comment on his reference to two classes of tenants: those under rent control and those not under rent control. I find it somewhat irrelevant

to be attempting to set up two classes of anything. If the member takes that to its logical conclusion, he will have merchants with and without bank loans and home owners with and without mortgages. I really do not see that with-and-without rent control is relevant, except as an attempt to set up artificial levels of the oppressed and the oppressor, which my friend was trying to do in his debate.

**Mr. R. F. Johnston:** It is obvious you are not a tenant.

**Mr. Treleaven:** I would point out that I am a tenant in my wife's house.

**Mr. R. F. Johnston:** That is just for tax purposes, I am sure.

**Mr. Treleaven:** No, that is for real. For many years I have simply had my rights as a spouse under the Family Law Reform Act, and no more.

I also wish to refer briefly to the Etobicoke newspaper of yesterday, which my friend used in an effort to bring relevance to that remark and which stated that rent review was very much needed etc. I have with me the Woodstock-Ingersoll Sentinel Review, which has a vast circulation in Metro Toronto, dated as recently as May 4. It states that supply of rental accommodation is tight largely because of rent control.

**Mr. Philip:** Where is the proof?

**Mr. Treleaven:** Proof? It is a question of opinion. We are dealing with opinion here.

**Mr. Philip:** No. We are dealing with proof. The onus is on you to prove it.

**Mr. Treleaven:** Mr. Speaker, once one quotes the Woodstock-Ingersoll Sentinel Review, it is etched in stone. If one cannot believe the Woodstock-Ingersoll Sentinel Review, who can one believe?

**Mr. Philip:** That just goes to show the member is as poorly informed as Paul Cosgrove.

**The Acting Speaker:** Order. The member for Etobicoke has had his opportunity. The member for Oxford may continue.

**Mr. Treleaven:** Thank you, Mr. Speaker. I have three main topics. The first is credibility. If the bill that the member for Etobicoke is putting forward is passed and supported by this House, neither this government nor this House will have credibility.

In 1975, there was a commitment. If I may draw an analogy—the two solicitors from the Liberal Party who are in the House will enjoy this—the Planning Act legislation of the late



1960s whitewashed the Planning Act; if any errors had been made prior to that time, they were all expunged. Right now, many solicitors and, I am sure, the contingency fund and the insurers would know—

**Mr. Elston:** Only errors made by Tories.

**Mr. Treleaven:** Liberal solicitors get caught by Planning Act section 29 as well.

If that act were to be whitewashed every 10 years or so, there would be no credibility, nor would there be care taken by the solicitors. It would be the same thing if the member's bill were to assure builders that after X days all buildings would be exempted from this act. That would be misleading them. I suggest that it would be dishonest to do that and then to close the trap on them by saying, "Now you are in," and then—so we can encourage the building of new units—saying to other builders, "All you fellows, from date Y onwards, are exempt." Perhaps five years down the road the member would bring in a similar bill to try to catch these builders. There would be no government credibility left.

I draw another analogy, one that goes back to the 1930s, to a bill known as the Farm Loans Adjustment Act. During the 1920s and in the early 1930s—I see I have the attention of the member for Huron-Middlesex (Mr. Riddell)—under the Farm Loans Adjustment act, if someone defaulted he could apply to a local board and have the interest rate lessened, the principal reduced and arrears cancelled. As a result of that legislation, farm mortgages dried up totally until the 1960s. Then the Ontario Junior Farmers Establishment Loan Corp. and the Farm Credit Corp. of the federal government had to come into being, because faith in farm mortgages and in farm financing had been lost.

If that type of thing happens again, credibility goes. Confidence in the government and in this type of promise by this government will be gone.

The second point I would like to mention is vacancy rates. I have already read from the Woodstock-Ingersoll Sentinel Review, that episode of Oxford county. Vacancy rates are low now for two main reasons: rent review and the federal Liberal government's high interest rate policy. There are two main reasons, one a New Democratic Party matter and the other a Liberal matter.

Right now, the vacancy rate in most cities is less than one per cent, with the exception of Windsor and perhaps London more latterly. In Oshawa, is it not correct that the vacancy rate is

zero and the Ministry of Revenue employees are having trouble finding places there?

**Mr. Philip:** That shows your lousy housing policy.

**Mr. Cassidy:** Aren't you proud of the housing policy we have? Aren't you proud of the program we got from the Tories? Not a single apartment available.

**The Acting Speaker:** Order.

**Mr. Treleaven:** If we permit this bill to go through and to be voted for, if we were to support it, it would have two effects: it would remove the incentive to build; and it would increase the incentive to demolish, to convert those borderline dwellings, etc., it will add an incentive to that.

**Mr. R. F. Johnston:** Why is that happening now?

**Mr. Treleaven:** I beg your pardon?

**Mr. R. F. Johnston:** Why are they doing all that now? Why didn't they build them, and why are they renovating?

**Mr. Treleaven:** We still have the high interest rate policy of my friends to the left. We still have that.

The last matter is philosophy. My philosophy has not yet shown, but I will clarify it further.

**Mr. R. F. Johnston:** Hear, hear.

**Mr. Treleaven:** Thank you. There are two sides to the rent control matter; I recognize and appreciate both of them. I recognize two sides for the tenants: the short-term security of rent control—and there certainly is security; and the long-term insecurity of the supply. The supply is affected. The tenants are the losers with the landlords in the long run. Throughout the entire province, the building industries are all at a loss in the long run; that is the price of some short-term stability in the dollar value of their rent.

When one balances out the two of them, there is a real question as to the value of the rent control program entirely. However, we do have it. But I can observe, and question out loud, its value.

**Mr. McClellan:** Elaborate on that.

**Mr. Treleaven:** The clock runs and I cannot elaborate for my friends.

First, interference in the marketplace is not something desirable if there is another method of solving a problem. My friend the member for Etobicoke is trying to interfere with the marketplace. It is arbitrary interference. If one takes the matter to its logical conclusion, the

government would legislate sale prices. There is an analogy.

My friend is saying we should legislate and control rentals. Then why do we not control sale prices and tell each vendor, as he sells, how much he can make each year as a profit, with only a six or eight per cent increase in the equity when he sells? Why not? I do not think that would fly in Ontario; but, logically, if one is okay, why not the other? I throw it out.

**Mr. Riddell:** That is Socialist philosophy.

**Mr. Treleaven:** Yes, as my friend says, that is Socialist philosophy.

**Mr. Riddell:** We don't want that kind of thing.

**Mr. Treleaven:** We do not want that kind of thing; correct.

In summary, there is no need for the bill. It only exerts more unnecessary interference in people's lives and in the marketplace, to the long-term detriment of the entire population of Ontario and, therefore, the bill should not be supported.

**Mr. Spensieri:** Mr. Speaker, it gives me pleasure to stand in my place and speak on the bill introduced by my neighbour the member for Etobicoke. Speaking on behalf of our party, I will be enjoining the members to support this bill.

**Mr. R. F. Johnston:** My goodness, there has been a change.

**Mr. Philip:** Flip-flop.

**Mr. Spensieri:** Far from a deathbed repentance, I might add for the member for Etobicoke, we should advise him, as I am sure he knows, that the concerns of the tenants in this province have not been the preserve of his party and that, in fact, under the former member for St. George, Mrs. Margaret Campbell, the tenants of this province began their slow road towards some kind of acceptance.

**3:50 p.m.**

I also want to speak to him of the NDP flip-flop in Manitoba, where an NDP government, under its own residential tenancies act, not only has introduced but also is now bolstering exemptions for new construction and has exempted apartment buildings that rent for more than \$1,000 per month.

Having said that, it remains a fact that exempting buildings built after January 1976, especially in suburban centres such as the one I have the honour to represent and the one the member for Etobicoke (Mr. Philip) represents, constitutes a severe discriminatory practice in the sense that

two classes are being created. This is also true in the sense that using the date of construction as the criterion is unfair, inasmuch as we could easily use, for instance, the colour of brick or the type of exterior as a criterion. It is arbitrary, it is not founded on reason and on common commercial practice and, therefore, it ought to be removed from our statutes.

The real problem is not the inclusion or the exclusion of properties built and occupied after 1976. This government and, indeed, members of this House must address the larger issue of routinely granted exemptions given by our rental review board. That is to say that in addition to the automatic exemption, say, for the \$750-a-month building, or the automatic exemption for certain classes of buildings, we routinely see huge increases being handed out by the rent review board as a result of precedent and practice which build up within the rent review board.

We are also seeing a further erosion of the rental review and the rental control aspect by the practice that is becoming quite widespread in North York of introducing net net leases. Before, they were used only in conjunction with commercial properties, but now they are being introduced in residential tenancies. Net net leases, members will understand, call for a basic rent and then an automatic yearly increase for taxes, insurance premiums, maintenance and other related costs. More and more tenants are being subjected, through this contract of adhesion, to enter into these various net net leases, so that the whole concept of rent review, rent control and limitation of rent increases is becoming a mockery.

We are also seeing more and more the practice of contracting out of the control and review provisions of the Residential Tenancies Act. That is to say that parties—often, I must admit, under the advice of their legal advisers—will contract out of certain provisions of the act. We must be ever-vigilant in this House that these kinds of commercial practice, such as the net net lease and the opting out by private contract, do not become the norm. Otherwise, it is pointless to talk about buildings that are exempt and buildings that are included in control, because the whole process will have been vitiated and rendered useless.

The next thorny issue is the question of refinancing. More and more, the rent review board has taken the view that refinancing at today's higher costs automatically entitles the landlords to a corresponding increase. What we



must be concerned with, and I am sure the member for Etobicoke is concerned with it and probably will be introducing a bill and dealing with it later, is the question of the extent to which we should permit the practice of refinancing and the passing on of the resultant larger costs from refinancing to the tenant. Those are the burning issues, not so much the question of what buildings we include and what buildings we do not include.

Lastly, as landlords acquire equity in their buildings there has been a growing practice by developers of financing them to the hilt to finance further projects. That kind of equity financing on the backs of the tenants, is also something that this party, with the concurrence of all other members, will be looking into.

In conclusion, we are going to support the removal of the condition contained in the present clause 134(c) because it removes one more arbitrary element in the review process. We support it because it fosters the objectives of this province, and certainly the objectives of us as working members, to provide security of tenure, to provide for the alleviation of hardship in housing and to ensure some measure of social justice.

Simply removing this section from our statute books does not go far enough or quickly enough towards the support and the wellbeing of our tenant population, particularly in the suburban and growing centres of Metro Toronto. We will however, support the private bill introduced by the member for Etobicoke and we will wait for a later day to expand on other measures which this party feels are required to meet the modern-day realities of being tenants in Metro Toronto and of living with a very unsatisfactory availability picture for affordable housing.

**Mr. Cassidy:** Mr. Speaker, I remind the House that this bill is part of a package which has been put forward by my colleague the member for Etobicoke. He has been second to no one in this entire Legislature in speaking on behalf of the interests of tenants and working with tenants in Metropolitan Toronto and across Ontario.

As someone who once had the position of housing critic within the New Democratic Party caucus, I know the amount of work, effort and energy involved in maintaining contact and knowing what the real problems are. I know what is involved in bringing those problems to this Legislature and then fighting a government that has consistently shown itself to be in favour

of the interests of developers and to be opposed to the interests of tenants.

This is just a start. The government should understand that the majority of people who live in the major cities of this province are tenants and that they should have rights too. If the members of the government party would simply accept this bill, we might go forward together and co-operatively ensure that there was a genuine charter of rights to make certain tenants were no longer treated as second-class citizens in Ontario.

I am sorry the Minister of Consumer and Commercial Relations (Mr. Elgie) is not here. He used to bathe us in his concern for workers when he was the Minister of Labour. That concern has been noticeably absent since he took his new portfolio.

I want to put on record one case that is symptomatic of what is happening to people who are living in new buildings in my riding of Ottawa Centre. This involves a lady who lives at 151 Bay Street in Park Square in my riding. I think it is a two-bedroom apartment. The apartment building was built less than five years ago and is therefore not under rent review. On July 1, 1980, her rent was \$631. On July 1, 1981, it went up 10 per cent to \$695. On July 1, 1982, her rent is going to increase by 20 per cent to \$835 a month. At that rate, next year it will go up by 30 per cent to \$1,085. Goodness knows what it will go up to the following year.

This woman is a senior citizen. She is living on a nurse's pension. She lives with a sister, who is also on a fixed income. Their rent is now \$835 a month. It has gone up by 30 per cent in the past two years. If it were under rent control, no increase more than six per cent per annum could have been permitted without having to be justified.

Those people who have been in business on the government side know perfectly well that when that building was built two or three years ago the chances are that the financing was for at least five years. Therefore, every penny of those big rent increases on a new building, which does not require a great deal of maintenance, is simply unearned profit going into the pockets of developers.

That is intolerable considering that comparable apartments in older buildings would be available at between \$350 to \$400 a month in my riding, and less in some other parts of the province. Why should a two-class system exist for people who are forced to take newer apartments and pay as much as double what people



living in older accommodation are paying? That is beyond me. I wish there was some concern from the minister for this kind of situation, and some real action to match it, which he did not often show as Minister of Labour.

4 p.m.

We welcome the support of the member for Yorkview (Mr. Spensieri) on behalf of the Liberal caucus. I do wish, however, that the Liberal caucus could have supported the New Democratic Party's efforts to remove the exemption on buildings built since 1976 with regard to rent review when it counted. It is almost as though the Liberals are prepared to support applying rent review to newer buildings when they know it will not hurt their landlord friends. Where were the Liberals when we were in a minority situation and those Liberal votes could have counted to change the law and benefit all those tenants living in accommodations built since 1976? The Liberals were absent.

In committee, they voted the other way. They voted to perpetuate the situation where the exemption continues. They voted for my constituent paying \$835 a month because nothing was done by the Liberals at the time when it could have counted.

There was a time when Margaret Campbell, the former member for St. George, did speak up on behalf of tenants through the Liberal caucus, but she stood virtually alone. When she looked to her left, to her right and behind her in order to find support for tenant issues, the support was not there.

The member for Yorkview, whose support is welcome, is a bit of a johnny-come-lately in this sense because at the time when the Liberals could have put this through, they failed to act.

The member for Oxford (Mr. Treleaven) has acknowledged that the vacancy rate is less than one per cent in our major cities across the province. It is 0.4 per cent in the city of Ottawa. Four apartments in every 1,000 are vacant at this time, when a reasonable level of vacancies is between three and four per cent. For families, the vacancy level is virtually zero. The major developers and landlords such as Urbandale, Campeau and Minto are all going to rent review to take advantage of the situation and all the loopholes, games and manipulations that are permitted because of the rotten Tory administration of rent review in Ontario. They are taking advantage of that in order to get rent increases that exceed six per cent, whether or not they are justified or justifiable.

Again and again, the tenants are being shoved

to one side and told by the rent review commissioners, "You know nothing about the situation; step to one side, we will judge on your behalf." Too often those judgements are unfair and increases unconscionably large.

It has now been six years since the exemption began. Surely if the exemption was to have created a continuing supply of new apartments, as was claimed in 1975 when the rent review legislation was passed, we would see the results by now. On the contrary, we have seen no results at all. We see a continuing shrinkage of the new supply of housing and a continuing reduction in new rental housing starts. In fact, the only rental housing starts are those that have been subsidized in various ways by governments. The government gives \$6,000 per unit to developers who will put up new apartments yet it will not ask them for one ounce of responsibility in return, such as asking them to agree to rent review on apartments that are being publicly subsidized.

The consequence of the shrinking vacancy rate is that the demand for social housing in my area is shooting up. There are 1,108 families who have applied for public housing and there are 439 on the senior citizens' housing list. That is almost double what it was a couple of years ago. Applications for nonprofit housing in Ottawa have doubled in a couple of years to 981 families and 87 seniors. The co-ops in my riding have as many people on their waiting lists as they have units actually occupied. That means those people will have six or seven years on the waiting list if we look at the number of people who vacate their units. There is very little overlap among those three particular lists.

People are being driven to distraction because of high rents, because they have no protection through rent review and because if they live in newer buildings, they find they simply cannot get any protection from landlords who are being greedy and taking advantage of the situation to get every penny they can.

People with special needs are being particularly hard hit. Ten years ago there were nine or 10 rooming houses offering very low-income accommodation on the block where I live at Waverley Street near Cartier in Ottawa. Today there are only one or two. Around the corner, homes that used to rent for \$100 a month are now \$85,000 townhouses, obviously serving quite a different market. Low-income single people of 40 or 50, whose incomes are \$10,000 or \$12,000, simply do not know where to turn, because they are not eligible for public housing or many



forms of social housing. They cannot afford rents in the private market unless they pay 40 or 50 per cent of their income on rent and they—

**The Acting Speaker (Mr. Andrewes):** One minute.

**Mr. Cassidy:** Another 20 per cent of their income is being demanded, because those tenants have no protection.

In 1975, the government said, "Spare this new accommodation because otherwise it won't come." It has not come, Mr. Speaker, and I say in conjunction with my colleague and friend, the member for Etobicoke, it is about time the shabby deal that was made in 1975 and 1976 was reversed. It is about time we kept faith with the tenants of this province and ensured that every tenant of Ontario had the same protection against unconscionable rent increases by landlords in this province.

**Mr. Cousens:** Mr. Speaker, today as we stand in the House in this private members' hour we are able to see—

**Mr. R. F. Johnston:** Are there any apartments in Markham under the \$750 limit?

**Mr. Cousens:** Oh, in Richmond Hill we have apartments and we have a number in Markham. What we are seeing here in this House today is the Legislature in microcosm. First, we see the third party assuming it has the exclusive preserve of the interest of the tenants, with a most honourable and sincere interest in the needs of tenants, as if to say other honourable members do not have as genuine and as deep a concern. That is also something that sometimes—

**Mr. Cassidy:** Point of order, Mr. Speaker: If the member wishes to express his concern, he can vote with the member for Etobicoke and support his bill.

**Mr. Cousens:** The member for Ottawa Centre will see there is a microcosm here today. Everybody in this House is concerned for the need of tenants to have accommodation, to be able to rent property within their means. Certainly the province is doing things to achieve this; but here is the thing: we have a sincere group of people who decide they have the exclusive preserve of it and they are not the only ones. We also see the flip-flop of the official opposition which is a delight—

Interjection.

**Mr. Cousens:** I listened to the member for Ottawa Centre. He can do the same for me.

I think what we are seeing again is the official opposition having a convenient change of posi-

tion to accommodate the needs of the third party. That is also something that happens rather occasionally in this House.

**Mr. MacDonald:** You never change your position.

**Mr. Cousens:** I will change it when I see the situation is right. I think that is an honourable thing to do. May I suggest to members, as people look on from the galleries and read Hansard, they are seeing in this Legislature, first, a group that thinks it has the right answer; second, another group changing its position; and third, hearing comment on something that should really be brought up in another bill. If people are concerned about anomalies, discrepancies and problems with the rent review committee process, there are other ways in which changes can be brought about. Obviously those concerns are really not part of Bill 57 as the member for Etobicoke has brought it forward.

I can see the headlines, and certainly the member for Etobicoke has brought headlines to the fore. They are going to read, "Government reneges," or "Government breaks the promise;" the members opposite have given all the words beforehand. What has happened is there has been commitment by this province over a period of time, and not just to tenants. The province will continue to have a genuine interest in the needs of tenants, but it has also to see that accommodation is being built that people can go and rent. The honourable members might consider that we are all concerned about the need for more rental accommodation in this province.

The position that has been presented by the member for Etobicoke fails to outline that there is a problem for the developer when he comes along and starts to look at a change in government plans. Government is seen as being fickle, changing its mind all the time. I would like to see the government have some kind of constancy and some kind of long-term continuance in the way it goes about things. To come along in 1976 and say one thing, and then six years later just to make it convenient or to have it in common, or to say "We want to have everything controlled," is not really to address the total problem.

4:10 p.m.

We want, and I think this is something happening now within the Ontario government, to encourage further participation by the private sector in developing more rental accommodation. To do so, I think one has to leave a



certain opportunity for them to make a reasonable return on their investments.

The second thing we have to look at is that the Ontario government at present has a program in position, the Ontario rental construction loan program. There are similar federal programs to stimulate rental housing.

We really have to give it a chance to work. My friend the member for Oxford (Mr. Treleaven) talked about high interest rates. We are seeing problems in this country that do not originate from this province, that come from the federal government. There is certainly a way in which, if we come along and start giving more controls, we are also then saying, "Do not get more involved."

By looking at what the member for Etobicoke suggests, and the Liberals have now changed their minds to agree with it, I would be inclined to think we are going to hurt the existing programs which we are trying to make effective.

The other factor I think honourable members should remember is that the costs of the structure of rental accommodation built since 1976 are in the fairly high-priced area anyway. There are not that many people who are going to be affected positively by a change in the regulation.

To me there is a bottom line. The bottom line is to maintain the faith and keep the integrity of a government rather than being fickle and changeable, and breaking the trust. I think those people who rented accommodation built since 1976 know the rules. There is no reason for them to expect anything unless they have been misled by some of the statements that have been made. The landlords knew the rules and the landlords know the rules now. Therefore, they are in a position to respond by making an investment to continue the development of more rental accommodation. I say to the members, I know this government wants to see more rental accommodation in this province and is doing its best to see it can happen. That is one basic point.

The second point is that the future developments that are going to take place will be based on our government having good planning. That planning is now in process. We have a combination of the trust that has been built up over the years and the good plans that are being put together under the Ontario rental construction loan program. We will then be in a position to come out with a headline that the member for Etobicoke can read: "Ontario government solving problems for tenants. Ontario government

succeeds in meeting the needs of its people." We are trying to do that. If we had more co-operation from other levels of government, we would be far more successful in achieving it.

To start changing in midstream as suggested by this motion is the wrong way to go. I suggest this House today is a microcosm of the larger part of the Legislature. As to the flipping, the flopping and the exclusivity of concern, we are all concerned and this government has the policies and the plans to make it work.

I am pleased to see we have rental controls now. There are levels in place and it is something that has to continue. I am pleased our government is at least looking at ways of making that happen and making that stay. Let us hope we can keep the faith with these people who have to have rental accommodation and build a program around good policy rather than just be changeable all the time.

**Mr. Ruprecht:** Mr. Speaker, I rise as the member for Parkdale to support Bill 57. I fully believe that anyone who represents a Toronto riding and who is somewhat familiar with the problems of the tenants and the low vacancy rate, can really only come to one conclusion: try to overcome the two-class tier system that is at present organized in the city of Toronto and other places.

Let me put my remarks in the context of the Residential Tenancies Act and the low vacancy rate within the metropolitan boundary.

We had hoped when we advocated the continuation of rent review back in 1978, that a healthy market would make rent review unnecessary by 1981 or soon after. We believe as most members do that only a properly functioning housing market can provide long-term protection for tenants. Unfortunately, the provincial government has been unsuccessful in improving the market conditions that caused rents to soar before controls were introduced in 1975.

Until very recently the government did nothing. The sad truth is that when it finally acted with the Ontario rental construction loan program, which an honourable member just mentioned, it was too little, too late. The program has been a total failure in the municipality where it was most needed and where it was most wanted, here in Metropolitan Toronto.

As members are well aware, especially after the session last year, we consistently urged the minister to continue to expend moneys in the right direction for an increase in the number of rental units. The whole program is a colossal failure. I personally hope, as I stand here to



speak to this bill, that the minister will take note and try to do his utmost in order to either reorganize it or reshape it so we will have more rental housing units in the city of Toronto and Metro Toronto.

I am aware of the argument that if rent control was abolished then the supply problem would disappear. I do not believe that. I do not think that most analysts believe it. The market conditions that led to the drying up of new rental construction in 1975 are with us today. In fact, these market conditions are worse. Interest rates are sky high. Construction costs have risen dramatically, in fact doubling over the period of 1971-79, and land costs have soared spectacularly.

We have no reason to believe that if rent control was abolished tomorrow developers would go out and build affordable rental housing.

Let me refer to the Alberta example at this point.

As members know, rent controls were removed in Alberta last year. There has been no appreciable increase in the construction of rental housing in that province. That is a fact that anyone can analyse and look at. It is admittedly a dilemma, but for us the protection of tenants in the situation of drastic shortage of rental housing here must remain a priority. That is why I, as the member for Parkdale in the city of Toronto, support this particular legislation. I think it is good legislation.

To come back to the context of my discussion, I want to remind the government that when it extended the original rent review legislation several years ago, it announced that it would undertake measures to stimulate the production of rental housing. We regret that the government's failure to fulfil this commitment is obvious. It is this failure that makes the continuation of rent review necessary at this time, extended to all buildings built from 1976 onwards as well.

The supply situation, as I have indicated earlier, has worsened since 1978, and the Canada Mortgage and Housing Corp. predicted recently that by the end of 1981 no fewer than 12 municipalities in Ontario will have vacancy rates below one per cent. That is where the figure rests today; it is roughly in that neighbourhood.

Without continued rent review, this shortage of rental housing gives tenants virtually no option but to pay whatever increases are demanded. It is our view that rent review cannot be lifted before the rental housing market improves.

That is why we put forward, as the members will remember, our own rental housing supply incentive plan during the election. I will not go into details here now, suffice it to say that it would have stimulated the construction of new, moderate income rental housing in areas of Ontario with low vacancy rates, especially in Toronto.

We are all aware that there are some inequities in the system because tenants who live in post-1976 buildings are not protected by rent review while the rest are. I am also aware that rent control can contribute to inefficient use of rental housing stocks since people are not anxious to move from rent controlled units.

But in this context, let me tell members what really bothers me. I remember the Premier (Mr. Davis) saying in Kingston: "I just want to make it abundantly clear, I said some weeks ago, I have repeated it since, that we have no intention of altering the existing rent control program. That is specific and that is definite." How things have changed since majority rule.

**4:20 p.m.**

Now we have heard the Minister of Industry and Trade (Mr. Walker) say to the tenants of Ontario: "We are going to have to come up with a figure more in keeping with the inflation rate or the consumer price index—something in the range of 12 or 13 per cent.

"The Premier and I find this really quite amazing," he says, "rent control will stay at least until 1985. Only the ceiling will be raised." That is like saying we will continue to have speed limits to maintain highway safety in the province but that the existing speed limit can be doubled.

The minister talks about linking the allowable rent increase to the rate of inflation and to the consumer price index. Yet at least one of the people who have spoken here in the past—I am thinking especially of Dr. Larry Smith—urged that precisely this kind of indexing as a method for getting out of rent control altogether is not good. If one links the rent level to the consumer price index, one is phasing out rent control. Let there be no mistake about that.

At the same time one is compounding the problem of inflation because, as we all know, housing and rental costs are the chief components of inflation and of the very same consumer price index. I wonder if this is what the Tories meant in their famous advertisement we heard so much, "Davis can do it."

The fact is that 960,000 out of 1.6 million rental units are under rent control. In my own area of Parkdale some tenants not under control

have received increases of more than 50 per cent. That does not seem fair to me, Mr. Speaker, and I think you would agree with that.

What is the situation here in Metro Toronto? We know when we read the papers that older apartments can be demolished or reconversion can take place. We have no clear and distinct policy on conversion. I would quote from the Ontario Municipal Board decision on that subject. It says, "There is no specific policy in the Planning Act or that Condominium Act which relates to this issue of conversion, nor was the board made aware of any other legislation in which it might be contained."

I was going to go into more detail but I think my time is running short so I will try to sum up here.

Condominiums have also been a problem for Toronto residents. In my own area, some people have been thrown out of certain units that were furnished by the owner. Especially on Jameson Avenue, owners were accusing people of overcrowding the premises and using this as a reason to throw them out. That is precisely what happened. They were kicked out and the next day new furniture was put in. Suddenly the landlord was charging twice the price for those units that was charged before.

**Mr. R. F. Johnston:** Mr. Speaker, it is a pleasure to rise in support of Bill 57, introduced by my colleague, the member for Etobicoke (Mr. Philip), which would get rid of the double standard for buildings erected since 1975.

First I want to respond to a few of the things said by some of the members opposite, including the almost scurrilous remarks of the member for York Centre (Mr. Cousens). I believe the Speaker is familiar with them. He was speaking about the beneficence and wonderful planning that has already gone into housing policy by the provincial government and the plans they have to turn around the disastrous situation we find now in rental accommodation.

These Conservatives have had 40 years. They could be said to have been the ones who brought about, in social planning terms or in housing planning terms, our present conundrum in the rental housing market.

**An hon. member:** Don't you mean condominiums?

**Mr. R. F. Johnston:** I will come to condominiums shortly. I believe there are some members opposite who get confused between condominiums and rental housing. There is a distinction

and I will try to make it for the member, if I can, in the few minutes I have.

Along with the member for York Centre, the member for Oxford (Mr. Treleaven) got up and said this government's credibility, if one can believe it, would be shattered if now it was to turn and get rid of that particular provision exempting buildings built after 1975. Might I say that on occasion the government has been known to change? For instance, the bringing in of rent review in the first place, in 1975, could have been seen as a slight change in Conservative policy up to that time in terms of government intervention.

I know change every six years is a bit precipitous, and it is a bit dangerous for the government to look at change now after six years of having this particular piece of unfair legislation as part of its rent review package. But I suggest that perhaps the government could change and its credibility would not be any more adversely affected than when it confuses some of its right-wing supporters by buying Suncor or confuses some people who believe it believes in universal health care when in the next week or so it raises health premiums. I do not think it would affect the government's credibility a great deal more than some of its present actions do.

The piece of legislation that has been brought in today is just one of many that have been introduced by the member for Etobicoke containing amendments that are needed now to stop the punishment of tenants in this province to the benefit of landlords in this province. I would like it to be very clear that one has to be on one side or the other in this business. One cannot play it both ways. Why was this provision was brought in in the first place? It was to stimulate new building. I believe that was the major rationale. The government did not want to hold people back from building new buildings. Let us look at the vacancy rate. The provision has not worked. So why maintain it? It did not fulfil its function, so why keep it?

Let us look at what happened when Alberta took off rent controls. That did not add to the sudden surge of new housing starts. Therefore, in my view, that argument does not hold water.

Three buildings have been built in my riding since 1975. They hold about 2,000 tenants at 30 Denton, 10 Macey and 50 Burnhill. Those tenants, in comparison with the many thousands of other tenants in my riding, have no rights and no protection. Those prime locations right on the subway are still below the ceiling of \$750 and



would, therefore, be under rent review if this particular piece of inequity was not in the act at the moment. Those buildings have had increases of 50 per cent and 60 per cent in each of the last two years; if one can believe that. So the turnover of people in those buildings has been incredible. Something like 52 per cent of the people who lived at 30 Denton 18 months ago no longer live there. They have moved because they cannot afford to stay.

At the very least, as they move into that building the tenants should be told that building is not covered by rent review. Instead they go in there blind, thinking they are protected, and are faced with the need to pay 50 per cent more or move. That is totally unjust, in my view. There should at least be that provision in the Residential Tenancies Act. The profits have been made by those companies magnificently over the last five years. I would suggest it is time they were brought under control. This bill would make sure that was done.

If I might put it succinctly, the problem in Toronto at the moment is where those people can go, as the member for Etobicoke said. We have a negative vacancy rate in Toronto at the moment. We have 30,000 people on waiting lists for assisted housing, another part of the major planning and provision of housing by the Conservative government of this province. Thirty thousand people are waiting for assisted housing and they are not going to get places.

There are places being renovated and turned into condominiums in a sort of madness towards condominiums that is going on at the moment; taking over places people could normally afford and converting them so they can no longer afford them. It is like trying to buy a house when one tries to buy a condominium. We are going from a negative vacancy rate to even less than that.

**4:30 p.m.**

This particular provision of the member does not seem to be the answer. He just wanted the members of this House to twig to what is going on out there and how serious the problem is. This is just one element of a major review that has to be done. If the members opposite are nervous about major change, continually adjusting and improving legislation, then perhaps the least they could do would be to add this one small portion, revamping justice and giving an equalization to tenants in Ontario. The minister should grant at least this one small amendment.

I am pleased to see that the members of the Liberal Party are going to join my colleagues in

supporting this bill. I will not take the occasion now to berate them for having voted against this provision back in 1977. I would not do that. Others, I notice, have undertaken that unfair attack but I will not even allude to it. I will just thank them very much for their support today. With my succinct answer and wrapping up and with your support, Mr. Speaker, and that of the members, I am sure this vote will carry.

**Mr. Philip:** I thank the members for their contributions and the interesting points they made.

I found it a disappointment that the Minister of Consumer and Commercial Relations (Mr. Elgie), the one minister responsible for rent review, has decided it was not worth his time to be in the House. I also found it a shame that the one member of this Legislature who has more constituents living in apartment buildings than any other member in this Legislature, namely the member for St. George (Ms. Fish), did not decide to even be in the House, let alone talk on the bill. They had to go to the agricultural member for Oxford (Mr. Treleaven) in order to find someone to speak against the tenants.

At least Margaret Campbell, the former member for St. George, was in favour of this motion. She tried to convince her caucus in 1977 to vote for it, but was unsuccessful at that time. In that instance she had a lot more sense and concern for tenants than the present member.

The member for Oxford stated that this bill, if enacted, would hurt the credibility of the government, but this is a regulatory bill and the government constantly interferes in the marketplace through regulations. That is what the transport board legislation is all about and that is what the Ontario Securities Commission legislation is all about. We see constant changes in regulation and in—

**The Deputy Speaker:** Time.

**Mr. Philip:** Thank you, Mr. Speaker. I thank the members for their contributions and I hope all members will reconsider and vote for the tenants and not for the landlords this time.

#### BUY CANADIAN PROGRAM

Mr. Barlow moved, seconded by Mr. Sheppard, resolution 16:

That this House acknowledges Ontario's need for an expanded, more aggressive "Buy Canadian" program, thereby increasing Ontarians' awareness that buying Canadian-made goods is essential to maintaining and creating employment opportunities in our province. In addition,



Ontario should undertake meaningful discussion with the federal government and the provinces to identify and assist Canadian suppliers to capitalize on the material and equipment demands from national megaprojects.

**The Deputy Speaker:** I would like to point out to the honourable member that he has exactly 20 minutes in terms of his resolution. Keep in mind that you may reserve any part of that time to conclude your debate. Would you like to do that?

**Mr. Barlow:** I am going to try to reserve a bit of time.

**The Deputy Speaker:** Right. Let us say a couple of minutes.

**Mr. Barlow:** Mr. Speaker, I welcome this opportunity to express my concerns regarding the state of our economy—

**Mr. Laughren:** On a point of order, Mr. Speaker: Could you rule on whether this motion is now in order, given the fact that the megaprojects are being cancelled one after another?

**Mr. Deputy Speaker:** It is in order. Carry on.

**Mr. Barlow:** Thank you for your confidence, Mr. Speaker.

I would like to move into the main topic here today, and that is to help the economy in any way this government possibly can. It requires some assistance. We all know that Canada is in a recession and that unemployment is at record levels across this country.

**Mr. Wildman:** I wish Miller knew that.

**Mr. Barlow:** I am sure he does, and he addressed that earlier this afternoon.

I believe what is needed to reverse this situation is a concerted effort by government, industry and labour to revamp our manufacturing sector and to encourage buy-Canadian practices.

[Applause]

**Mr. Barlow:** Thank you for the confidence.

It is the responsibility of government at all levels to pursue a more aggressive buy-Canadian program in order to increase public awareness that buying Canadian-made goods is essential to maintaining and creating jobs in our nation.

Manufacturing in Ontario employs more people than do agriculture, mining, forestry, construction, finance, insurance, real estate and transportation combined. About one million people or 25 per cent of all jobs in Ontario are directly involved in the manufacturing sector, and for every 100 jobs in manufacturing, there

are about 68 spinoff jobs created in the service and support industries.

But the trends in manufacturing employment in recent years have not been encouraging. The reasons for our poor performance are often beyond the control of this government. Canadian manufacturing has access to the smallest domestic market of any of the world's major industrialized nations.

**Mr. Boudria:** Why doesn't your government buy Canadian?

**Mr. Barlow:** Why don't you listen?

The results of the small market in terms of low production runs and high production costs have had a major effect on the ability of Canadian industry to compete both domestically and internationally.

**Mr. McClellan:** What about the megaprojects?

**Mr. Barlow:** I am getting to that.

Traditionally, Canada has relied heavily on tariffs to protect our industries from international competition. In recent years, however, increasing competition in labour intensive manufacturing industries from less developed countries has rendered tariff protection insufficient for many of our industries.

**Mr. Boudria:** Is that a Canadian bow tie?

**Mr. Barlow:** It is Canadian made.

At the same time, the investment necessary to permit Canadian manufacturing to compete in high-technology areas has not always been there. As a result, our domestic market has become one of the most deeply import-penetrated markets of any major industrialized nation in the world.

I am particularly concerned with the current position of our manufacturing sector because it has a direct impact on my riding. Cambridge is unique in comparison with many of the communities in Ontario because of its concentration of high employment in the manufacturing sector. The total labour force in Cambridge is estimated at approximately 40,000 people. More than one half, or 20,700, are directly employed in the manufacturing sector.

Historically, Cambridge has been known for its concentration of footwear, textile and knitting mills. More recently, however, metal fabrication, with 20 per cent of the manufacturing work force, and machinery production, with a further 17.5 per cent, have become very prominent and are now the two largest manufacturing sectors in Cambridge.

In addition to the major textile, metalworking, machinery and footwear firms, other large



employee groups include chemicals, foundries, furniture and appliance manufacturing.

**Mr. Boudria:** That is such a nice riding. It should be represented by a Liberal.

**Mr. Barlow:** It has the best representation it has had in the past seven years. It is back the way it used to be and the way it should be.

Because of the dependence on manufacturing it is evident that fluctuations in the provincial economy and subsequent downturns in specific manufacturing sectors will have a significant effect on the economy of Cambridge.

**4:40 p.m.**

For example, auto-related industries and appliance, plumbing and furniture manufacturing have all suffered layoffs recently as a result of a drop in consumer product demand and stagnation in the housing market. The relatively high concentration of employment in textile and leather industries presents a vulnerable situation for Cambridge with regard to the protection of these industries through trade and tariff regulation. The recent removal of federal quotas on imported leather footwear will have a significant effect on the Cambridge area, where there are four large shoe manufacturers.

In the past decade, import penetration has steadily increased in Canada in the following areas. In the domestic machinery market, import penetration has increased from 50 per cent in 1970 to 70 per cent this past year. In 1979, the metal fabricating industry faced a trade deficit of \$664 million.

In 1980, Canada imported \$1.6 billion worth of textiles, creating a trade deficit of over \$1.2 billion in this sector. According to a federal government source, Canada was second to the European Economic Community in 1980 in per capita textile imports from developed countries. Finally, the trade deficit in footwear was over \$200 million in 1980, increasing import penetration of this sector to 34 per cent.

To ensure the wellbeing of our manufacturing sector and to secure jobs in Ontario, Ontarians must change their buying practices. I would like to bring to the honourable members' attention a program that is being concentrated on right now in the city of Cambridge, the Jobs For Cambridge Committee.

**Mr. Boudria:** Why doesn't your government buy Canadian?

**Mr. Barlow:** Why don't you listen. You might hear something.

The Jobs For Cambridge Committee is promoting a program and I have taken the liberty of

having it deposited in each member's mailbox downstairs. If the members have not already received it, it is a brochure and a pamphlet promoting buying products in Cambridge. It was produced by a citizens' committee and concentrates on getting our own people to buy our own products. The program will stress the importance to the consumer, the retailer and the manufacturer of buying Canadian, not only for the health of Cambridge but for the whole Canadian economy.

Education will be the major thrust of the campaign. The education program will attempt to build pride in Canadian-made goods and will attack the myth that Canadian goods are more expensive and of inferior quality. None of these is true and the Cambridge committee is trying to set that aside. The program is to begin on Monday of next week, running through until Saturday, May 15. It will present a strong and valid argument for equalization with competitors from other countries who export their goods here but who do have to meet any of the safety, health or work standards that we in Canada do.

As part of the promotion, the Jobs For Cambridge Committee has planned a series of initiatives. These initiatives include an advertisement and news stories in local newspapers and over the local radio station. There is a television documentary, billboard advertising throughout the city, window displays, cards and posters for distribution to retail stores throughout Cambridge. There are automobile bumper stickers distributed throughout the various participating plants and local unions. There are lapel buttons distributed to a variety of organizations and awareness brochures are to be distributed to local industries at the various rallies and at retail malls throughout the city.

The kits have been prepared and are distributed to the members. The one thing I did not include was the red buttons. They looked too much like a certain political party's campaign button, so we did not want to muddy the waters with that.

Private initiatives, as demonstrated by the Jobs For Cambridge Committee, need to be recognized, applauded and, where necessary, assisted. Our private sector companies have demonstrated time and time again that they are good corporate citizens and are prepared to take action to ensure that jobs are maintained and created in Ontario. Our government has

been involved in promoting buy-Canadian practices.

**Mr. Boudria:** No, you haven't.

**Mr. Barlow:** Yes, we have a little bag right here that says so.

Ontario has led the way by establishing a clear across-the-board policy of offering Canadian-made goods a 10 per cent price preference in all government purchasing. Total government expenditures on goods and services in this country amount to over \$35 billion annually. If more of that money can be used to purchase products with a higher Canadian content, then there are obvious advantages to Canada in terms of jobs and a healthier Canadian industry.

A prime example of this is the joint federal-provincial program—

**Mr. Andrewes:** Made in Canada.

**Mr. Breagh:** Is the jet?

**Mr. Barlow:** The jet is made in Canada. We all know that.

A prime example of this is the joint federal-provincial program initiated by Ontario in 1980 to reduce the importation of health care products by 10 per cent with Canadian-made products. The health products industry is typical of many industries in Canada. Although the Canadian market for medical and health care products amounts to \$1.2 billion annually, about \$850 million is supplied by foreign imports.

The results of our co-operative health care imports replacement program are very encouraging. The program has helped to create \$86 million worth of new sales for Canadian companies and has assisted in the expansion of 52 companies which have made new investments of over \$80 million.

**Mr. Harris:** One in North Bay, thanks to the provincial government.

**Mr. Barlow:** The member tells me there is one in North Bay.

Import replacement programs are essential to the wellbeing of our economy. Jobs must be created in Ontario, not in foreign jurisdictions. Our government must make it a priority to pursue meaningful discussion with the federal government and other provinces to encourage import replacement and buy-Canadian practices.

**Mr. Boudria:** Clean up your own act.

**Mr. Wildman:** Do you really want Miller and MacEachen to be meaningful?

**Mr. Barlow:** I want them to be so, along with

the federal government; we are not always fed-bashing.

We were talking earlier about megaprojects. I realize every member here was disappointed and unhappy when those two announcements were made last Friday, but there are still other projects that can and should be moved ahead as quickly as possible.

**Mr. Wildman:** Name them.

**Mr. Barlow:** The member asked me to name them. Oil and gas exploration in the Beaufort sea; the Norman Wells oilfield development in the Northwest Territories; the Quintette coal development in British Columbia; hydro projects in British Columbia, Ontario and Quebec; the Trans Quebec and Maritime Pipeline Inc.; the lower Churchill power development; rail upgrading in western Canada; and heavy crude oil and fuel oil upgrading projects. These are all megaprojects that would be of benefit to the Ontario economy and should come on stream and be advanced as quickly as possible. It is imperative that our provincial government engage in discussions with the federal government and the provinces to ensure the successful undertaking of these projects.

I want to reserve a few minutes to wrap up later on, but I wanted to emphasize to the members the importance of a buy-Canadian program. Ontario must work towards implementing some formal process or mechanism by which the provinces and the federal government can develop mutually beneficial policies to stimulate buy-Canadian practices.

**The Acting Speaker (Mr. Elston):** You have five minutes remaining if you wish to reserve that.

**Mr. Barlow:** I shall do that. Thank you very much.

4:50 p.m.

**Mr. Boudria:** Mr. Speaker, I am happy today to participate in this very important resolution. I read it thoroughly and listened very attentively to the member's speech. As a matter of fact I participated in it a little.

I cannot believe the hypocrisy of this government for coming up with statements like the one we have just heard. It is downright incredible. Let me show the House an example of this hypocrisy. I have here a file box, a Ministry of Government Services stock item, which was made in Franklin Park, Illinois. Is it not true that Prestonia Stationery, which is located in the member's riding, makes similar boxes? That's terrible.



My next example is a Swing Line brand stapler which has the government of Ontario logo on it. All members will want to see this. When I turn it around it says Swing Line Inc., Long Island County, New York.

**Mr. Barlow:** Buy Canadian.

**Mr. Boudria:** Buy Canadian, says the member for Cambridge.

This is a government issue letter opener. It says Ertan Stainless, made in Taiwan. I suppose the member thinks we cannot make a letter opener in Ontario. We have to go to some other jurisdiction for that advanced technology.

This item is known as a three-hole punch. Again, this is a very complicated and sophisticated piece of equipment. It is made in Austria. That too is very interesting. This is the member who is telling us that the government of Ontario is encouraging a buy-Canadian policy. very complicated and sophisticated piece of equipment. It is made in Austria. That too is very interesting. This is the member who is telling us that the government of Ontario is encouraging a buy-Canadian policy.

This is a telephone clip made by R and D Products, Doylestown, Pennsylvania. Again, this is a government issue item.

Look at this item. This is a cassette tape, again a very sophisticated thing. It is manufactured right here in Toronto. The government issue is under the brand name of Sony, made in Japan.

There is just no end to this kind of nonsense. The member is probably aware of a company known as Brownline which makes binders. They are located here in this city. This is a government issue appointment book; Textron, printed in USA.

**Mr. Ruston:** This little book we buy is made in Glasgow.

**Mr. Boudria:** That is another prime example of this government's buy-Canadian policy.

This piece of equipment is known as a staple remover, made in Taiwan.

This is just terrible. The member should be ashamed of himself for even bringing up this kind of resolution and not doing his homework first.

This is the pen of the government of Ontario. This is probably what they give to dignitaries when they come here. It is a Papermate made in the USA. I will give my pen to the member so he can read what is on it. I will have the page pick up this item and give it to the member for Cambridge.

This is a pencil, again something we are not

very famous for here in Ontario. It is very complicated. There is not much wood around. This is called a Stabilo, Paper, Glass, Plastic, Metal; made in Germany. They now make fine pencils in Germany.

I have a few photographs here that members may want to see. Right in front of this building last year there was a gardener who happens to work for the government and he was putting wood chips around the trees. Some of us took a picture of the product he was using. It came from Southern Importers Inc., Greensboro, North Carolina. We do not have wood chips in Ontario; we cut down all the trees I suppose.

There is a piece of equipment here—I guess it is called a pallet lifter or a skid lifter. This machine goes inside our hangars and buildings and we move things around with it. The brand name on this piece of equipment is Toyota. Members may have heard of that company before—it is very Canadian.

This government certainly displays all the good examples it can. Let me have a ruler. There is not much steel here in Ontario. I suppose we do not have any steel factories. At least that is what one would think. We have the Bates ruler—no relation to the minister over there—made in Hackettstown, New Jersey, another very Canadian city. I am going to continue, because this gets more interesting as I go along. We also have here one dozen paper clips made in Taiwan.

All those items are government stationery items. They are in the office products stationery supply catalogue of the Ministry of Government Services, dated April 1982. That is obviously the most recent issue. All those objects, with the exception of the photographs, came from inside my office. That just shows the kind of leadership this government is displaying.

Many of us use this fine piece of equipment here when there is too much heckling going on from members to my left. We use this little speaker to hear what is going on on the other side. It says on that made in USA. That is just terrible. Then there is this particular item, which is known as a file spike. The Speaker may have one of these on his desk. As we see, this again is very sophisticated piece of equipment. This is called a memodex organizer made by the Rolodex Corp. of Secaucus, New Jersey. Again I wonder if the member for Cambridge ever saw this particular item.

**Mr. Breaugh:** Can we move an amendment to buy New Jersey? Would that be in order?

**Mr. Boudria:** Maybe what the resolution should have said is, "We hereby condemn the government of this province for failing to buy Canadian-made products and to encourage the industries of this province."

Here is an IBM typewriter ribbon. I am sure members know that IBM's head office is in the United States, but there is a company in Ottawa that makes ribbons for just about every kind of typewriter. This one does not come from there; it comes from International Business Machines, and is made in the USA again.

Then there is this little marker, called a highlighter and made by Dennison Manufacturing. Dennison even has an office here in Bowmanville, Ontario. Did you know that, Mr. Speaker? But this pencil was not made there. It comes from the Dennison USA company, not Dennison in Bowmanville.

We have here what is called a paper moistener. This is made by Ideal Manufacturing and Sales Corp., Carlstadt, New Jersey. Last but not least, the very dishes I ate my lunch on at noon today say underneath, Royal Doulton china-ware, made in England. There is a company in Canada known as Syracuse China of Canada Ltd. in Joliette, Quebec. It manufactures—

**Mr. Barlow:** Syracuse?

**Mr. Boudria:** Syracuse China, yes. It is a wholly owned subsidiary of Syracuse China Corp. of Syracuse, New York, but I would like members to know that New York company belongs wholly to the Canadian Pacific Railway system. So no matter how one looks at it, buying this is wrong, just like all the other things the member came up with today.

**The Acting Speaker:** The member has one minute.

**Mr. Boudria:** I have just about concluded. I have one more item here I want members to see. This is a two-hole paper punch similar to the one I showed a little while ago, a little bit less complicated maybe than the previous one. This is made by New England Paper Punch Co. in Natick, Massachusetts, USA.

As we can see, the government is displaying all the good examples we want to have in this regard. What does the government do? It spends its time and money publishing things like this with a much larger picture of the Minister of Industry and Trade (Mr. Walker) than we all care to see. That is what it spends time, energy and money on doing, publishing pictures of ministers instead of helping the industry and the

businesses of this province. This government does not deserve to rule this province.

**5 p.m.**

**Mr. Laughren:** Mr. Speaker, I rise on a point of order to add to the fine exposé of the Liberal member by informing the House that the unbelievable member for Cambridge, with his unbelievable speech on government procurement, made that speech into a microphone made in Austria.

**The Acting Speaker:** That is not a point of order.

**Mr. Wildman:** Mr. Speaker, I agree completely with the comments made by the member for Prescott-Russell (Mr. Boudria) regarding the hypocrisy of this resolution and that it would have been much better to have worded it in a way that this House condemns—

**Mr. McClellan:** The member for Cambridge.

**Mr. Wildman:** Oh, I would not put it that way; I think that member himself may be sincere. He has a serious problem in his riding; he wants to provide jobs and he is sort of a voice in the wilderness from the back benches hoping that he can persuade the cabinet to see the light to buy Canadian.

I want to talk about a matter that came before this House which is along the same lines as the list of products that the member for Prescott-Russell listed. I refer to the contract with Exide. We raised some questions about Exide. In that case, the government was making a major purchase of computers and computer equipment. There was a bid submitted by a Canadian company from Mississauga.

The member for Mississauga East (Mr. Gregory) applauds when he hears that. I wonder whether he applauded the decision of his colleague the Minister for Government Services (Mr. Wiseman) not to accept that bid even though it was the lowest one. Instead, the contract went to an American company to provide the components that were being purchased by this government. That is not acceptable, and it is an example of the unwillingness and the inability of this government to purchase Canadian.

The honourable member in his resolution does not just talk about the buy-Canadian program. He talks about the need for the federal and provincial governments to work together "to identify and assist Canadian suppliers to capitalize on material and equipment demands from national megaprojects."

Obviously the member wrote his resolution



and submitted it long before we saw the complete failure of the strategy set out by the federal Liberal government and the provincial Conservative government of tying their hopes for economic development to megaprojects related to energy developments in the west.

The fact that the government has tied the whole future of this province for jobs and development to those energy projects is an example of its inability to deal with the major problem we have in the economy of this province, in the manufacturing sector, to deal with the tremendous number of imports into Canada and to deal with the question of import replacement.

We have been debating Bill 38 in this House, the act which will create the Ministry of Industry and Trade. We all know the attitudes of the minister who has been appointed to head up that ministry. The member for London South (Mr. Walker) has stated that he wants to deal with the import problem and that he wants to create greater opportunities for Canadian products, but he also has said clearly that he wants to increase foreign investment in Canada. That is the error this government and the federal government make.

The fact that this member in his remarks did not even mention foreign ownership or that foreign ownership in our economy is the major reason for our tremendous importation of manufactured products is an indication of the inability of the Conservatives in this province, as well as the Liberals at the federal level, to deal with the very structural problems that are bringing us to the serious economic difficulties we are facing today.

All of us accept the fact that the buy-Canadian program has to be expanded: we want more products purchased here; we want import replacement. But a public relations program by this government or, for that matter, by the federal government is not going to turn around the situation we have if at the same time both of those levels of government are actively encouraging further foreign investment in this economy. The fact is that multinational firms are integrated in such a way that they will ship components, manufacturing parts and machinery parts into this country and continue to do so. The PR program is not going to resolve that problem.

Canada imports an incredible \$18 billion more worth of manufactured goods than it exports. We are the only industrial nation in the world that imports more than 50 per cent of its

manufactured products, and we still refer to ourselves as an industrial country.

Earlier in this House I referred to comments that were made recently by Dr. Kerwin, the president of the National Research Council, who stated that Canadian industry is in danger of being buried by imports.

We import about \$16.8 billion worth of machinery and tools. In general purpose and special purpose machinery, the deficit is \$6.7 billion; in agricultural machinery and tractors, it is more than \$2 billion; and in equipment and tools, it is more than \$8 billion. When all of this is balanced out with exports, we have an overall deficit in machinery products of \$11.8 billion. This government and the member who proposed this resolution do not deal with the main reason for that, and the main reason is foreign ownership.

The studies that have been done at the federal level have indicated that foreign-owned firms are the major conduits for machine imports into Canada. Branch plants import 72 per cent of our imported components and materials for manufacturers. Branch plants import five times as much as Canadian firms in this field.

I do not think a PR program is going to persuade the transnationals to change that kind of behaviour. It is not profitable for them to do it. Obviously it pays the multinational to export from the parent firm to the branch plant the components, machinery products, tools and equipment that are produced there, because it affects their overall profit picture. That creates a greater and greater trade deficit for us.

Federal studies have indicated that no matter how efficient independent Canadian suppliers are, those suppliers will never be able to compete, in terms of price, with the purchasing practices of the multinationals. It does not pay a multinational firm to purchase Canadian, no matter what the PR is.

It is fine, I suppose. A PR system will persuade consumers to look at the bottom of the product, turn it over to see where it is made before purchasing. That is good. But I ask the member, what good is that going to do if the consumer goes all around the retail outlet, looks at every product and finds there is not one of them made in Canada but they are all made elsewhere? We have to deal with the structural problems. Public relations proposals are not going to do it. The minister wants to have more foreign investment, which will worsen the problem, not improve it.

5:10 p.m.

I hope the member who has introduced this resolution will look very carefully at the reasoned amendment proposed by this party to Bill 38, An Act to establish the Ministry of Industry and Trade, and that he will support our efforts to make it a stated objective of that ministry to increase Canadian ownership in our economy. Let us give the government the tools with which to do that, so that it can take an active role towards increasing Canadian ownership, Canadian production and real import replacement for Ontario. A promotional system is fine, resolutions like this are fine; but let us stop playing around with the issue and deal with the real problems.

**Mr. Williams:** Mr. Speaker, I am delighted to be able to participate with my colleague the member for Cambridge in speaking to this fundamentally important resolution which is before the House this afternoon.

First and foremost, I wish to applaud the Jobs For Cambridge Committee, which has taken the local initiatives described to us by the member for Cambridge. It indicates that community is doing something about the difficult economic times we are going through; it is doing positive things.

Their member in the Legislature, who supports them, is to be commended for bringing this to the attention of all the people of Ontario through his speech in the House today. What happens in Cambridge will have a ripple effect and will encourage other people in Ontario to be more aggressive in the same direction. It will also benefit the people of Canada. I applaud the member and that committee for what they are doing in Cambridge. It is a very positive initiative.

What caught my attention in the member's address is his observation that our government has been involved in promoting buy-Canadian practices and has shown leadership in this field. In the limited time available to me, I want to point out in a positive way that this province has indeed shown leadership in the buy-Canadian program. I am delighted to be able to put on record where this government has taken the lead among all the provincial governments. We are showing leadership in our actions and not just in our talk.

We know that in these difficult times some provinces have started to get on the bandwagon and are encouraging the business community in their jurisdictions to buy Canadian whenever possible. This government, by contrast, has been in the business of giving preference to Canadian-made goods for more than 14 years.

Ontario led the other provincial governments and the federal government in giving preferential buying treatment.

Let us get down to specifics and the more recent initiatives we have been taking. As recently as November 1980, this government announced there would be 10 per cent Canadian content in goods and services, and expanded the 14-year-old program so that it applied to all provincially funded bodies such as colleges, universities, school boards, municipalities and hospitals.

Then, only a month after that announcement was made, the government announced the creation of the office of procurement policy within the then Ministry of Industry and Tourism, to which my colleague referred briefly in his remarks. The office's basic mandate is to ensure that Canada receives the maximum benefit in economic development, employment and profits from the expenditure of public funds.

Let me cite examples of the extent to which we are implementing these programs in a meaningful way.

Two projects recently undertaken by the office of procurement policy include working with the Liquor Control Board of Ontario to ensure that the new warehouse facility in Pickering incorporates the most advanced technology developed by Canadian companies. Second, and of particular interest to me as I am closely associated with the Ministry of Revenue, the suppliers for the new office of the future that is being completed in Oshawa for the Ministry of Revenue's new headquarters stresses Canadian-built content. Here are two major undertakings that well illustrate the fine record of this government in buy-Canadian activities.

More recently yet, I draw the attention of the members in the House to what we did no less than two months ago when the Minister of Industry and Trade (Mr. Walker) announced that Ontario is embarking on a co-operative, federal-provincial effort to increase the Canadian share of six categories of goods purchased by our governments and public institutions.

More specifically, our government's goal is similar to that of the successful health care program, which is to achieve a 10 per cent reduction in the \$1.5 billion worth of imports in government purchases, particularly in the six areas of acquisition of furniture and fixtures, appliances, laboratory and scientific equipment, sporting goods, nonprinted education supplies and material, and audio-visual equipment. These goods will be replaced with Canadian goods of



comparable price and quality. It is anticipated that success in this area will result in some \$150 million in new orders for Canadian manufacturers and at least 1,200 new jobs for Canadians. That is, indeed, an impressive undertaking.

This new import replacement program really has three key components. First, our government will be launching a major awareness program in which purchasing agents in all governments and institutions will be informed of the import replacement effort and the importance of buying Canadian-made products. Second, there will be a systematic effort to provide purchasing agents with information on Canadian sources for products in those six major sectors. Third, there will be a major trade show and exhibition in Winnipeg this fall at which purchasing agents from all governments will display imported products for which they would like Canadian sources.

We all appreciate and understand that there are numerous factors which are creating strains in our manufacturing industry; they include inflation, high interest and increased energy prices. The problem of small production runs and high production costs as a result of the relatively small marketplace is another concern. In some areas there may be poor technological performance. Of course, we have that most serious problem of all, the increasing import penetration of our domestic marketplace.

What I would like to address myself to is an area of great concern that is not an in-market problem but rather an in-government problem. It relates to the discriminatory, interprovincial trade barriers that are further aggravating the difficulties facing our manufacturing industries.

**5:20 p.m.**

It is regrettable to have to put on the record the fact that there are no fewer than seven provincial governments that have adopted a much narrower purchasing policy that puts province-first procurement as the main theme of their purchasing policy. There are actually two provincial governments that have imposed tendering restrictions inhibiting access to contracts for Canadian suppliers outside their respective jurisdictions.

Let me be specific. On March 12, 1980, the governments of New Brunswick, Nova Scotia and Prince Edward Island jointly announced a new marketing program that put province first, Maritimes second and Canada third. That situation is mild compared with the policy that exists in our neighbouring province, Quebec. I point

to the cabinet directive that was issued by the government of Quebec in 1977, which was amended twice up to 1980. I highlight the two areas of concern in that policy—

**The Acting Speaker (Mr. Cousens):** The member's time has elapsed. Thank you.

**Mr. Sweeney:** Mr. Speaker, it is pretty difficult to disagree with a resolution like this. I have no hesitation about going on record as agreeing in principle with everything that is in it. But let me immediately couple that with the statement that it is the sheerest hypocrisy for any member of the government party to introduce a resolution like this when we look at its record.

About two or three weeks ago the Premier (Mr. Davis) went to New York state. He rubbed his hands and said what great trading partners we are—the United States and Canada—and how we have to have these wonderful open doors between us. Then he went on to remind the Americans of the way in which their buy-American policy was having an impact on Ontario. He would really like them to take another look at that. But the buy-American policy works in the United States because it is legislated. They did not bring in a lot of these dumb resolutions that have no impact whatsoever.

**Mr. Laughren:** A minute ago you said you were supporting this dumb resolution.

**Mr. Sweeney:** I support the principle, I said. Does the member object to the principle?

What I am saying is, if the member of the government party had any real guts he would have brought in a bill—a piece of legislation. As the New Democratic Party critic for Industry and Trade has pointed out, the legislation of the Minister of Industry and Trade in this province should have had that section in it as well. In other words, we will believe he is serious when he puts it in legislation, not in resolutions. That is the problem, and that is the hypocrisy I talk about.

The decision by the government of Ontario to ask, request, suggest, recommend that government agencies and boards and government-supported institutions buy Canadian if the price differential was no more than 10 per cent was announced in 1974. The member for Prescott-Russell (Mr. Boudria) just a few minutes ago showed how far the government has come along to that up to 1981. In 1980, of the \$750 million worth of goods this provincial government bought, \$375 million, fully 50 per cent, were imports.



Do the honourable members on the other side really expect us to take the government seriously when we look at the record?

**Mr. Barlow:** Yes.

**Mr. Sweeney:** The record is a shame. It is a scandal. It totally lacks any credibility whatsoever.

This government is spending \$10.5 million on a nice, fancy jet airplane.

**Mr. Gillies:** Oh, the jet.

**Mr. Sweeney:** Okay, okay. They do not like to talk about the jet. I will tell them that \$1.5 million of the purchase price of that jet is being spent in Texas. This is the government party that has a member who has the unmitigated gall to bring in a resolution to say we should buy Canadian.

I ask my friends, why did they send a Canadian-built airplane, purchased by the Ontario government, to Texas to be outfitted? They might tell us there is no place here that could do it. But I want to share something with the honourable members. There is a Canadian company known as Intertech that does exactly the same thing as the firm in Dallas, Texas, by the name of Associated Air Centre. They did not have to send it to Texas at all; it could have been done right here in Canada. They could have put in all the fancy bars, the fancy leather padded seats, the fancy carpet and everything else. That could have been done right here. It is a bloody scandal that the government is spending \$10.5 million, but it is a bigger scandal that \$1.5 million is being spent in Texas when it could have been spent right here. That is the lowest kind of hypocrisy.

Let us talk about the biggest deal this government has made in 40 years. They are spending \$650 million of Ontario money to buy an oil company. And where is that money going? It is going to the United States, is it not? It is not staying here in Ontario. It is going to the United States.

I want to tell the honourable members on the other side that they have no credibility whatsoever; none at all. The record of this government is to import capital, to import skilled labour and to import manufactured goods; "import" is the only word they understand.

Canada, and primarily Ontario, spends 24 per cent of its gross national product and gross provincial product on imports. Would the members want to note some of the comparative figures of our trading partners? The United States spends eight per cent; one third of the

Canadian figure. We are told that Japan has to import all of its raw material. Do the members opposite know how much of the Japanese gross national product is spent on imports? It is 10 per cent, or less than half of what Ontario and Canada spend.

We do not believe the government any more. We believe, as my friend the member for Nickel Belt (Mr. Laughren) said, "It is a public relations gimmick."

The principle is good. The principle is needed in Ontario. Jobs are needed in Ontario. Manufacturing base is needed in Ontario. But we do not believe the government. We do not think they mean it. We do not think they have the will. They certainly do not have the credibility. The principle is good. The principle should be carried out.

If they really mean it, they should have one of the members of the government party or, better still, the Premier or the Minister of Industry and Trade, or whoever one they want, bring in a piece of legislation during the next couple of weeks. Then we will believe them. Then we will support them. Then we will vote with them. But not with this nonsense.

We will support the resolution in principle. How could we do otherwise? But that is all it is. It is a sham.

**5:30 p.m.**

**Mr. Laughren:** Mr. Speaker, I and all of my colleagues are going to support this resolution, but not without some anguish because of the problems which the member for Prescott-Russell, I thought very appropriately, outlined in his remarks.

For some time now there has been evidence, not just in Ontario but elsewhere in Canada, as to the amount of premium which is being offered for the purchase of Canadian goods. In other words, in Ontario we have a 10 per cent benefit to buy Canadian goods. Government departments can pay 10 per cent more for the same product.

A federal study has been done for the Department of Communications and there was an Alberta economist who did a study as well, which indicated we have not even begun to scratch the surface in the potential for buying Canadian because that 10 per cent preference is inadequate.

In one study done on communications equipment, which is high technology but, at the same time, has a high labour content, one could have a preference as high as 76 per cent and the net benefit would still accrue to the taxpayers of the



jurisdiction, in this case Ontario. That is the kind of benefit which is there and the kind of preference one can build into a government procurement policy. But this government simply has shrugged that off.

A couple of years ago, when the member for St. Andrew-St. Patrick (Mr. Grossman) was the Minister of Industry and Tourism, there was quite a kerfuffle in the Legislature about government procurement policy. It was before the last provincial election so the member for Cambridge was not here to learn from that experience. If he had been here, he would have seen the then Minister of Industry and Tourism squirming as people in the private sector wrote letters to him with copies to us wondering why, in the specs which were being put out for purchase orders, the examples always being used for comparison were American products.

I will give a couple of examples. There was a tender from the Ministry of the Environment in which the tender said, "Derive price and delivery for equipment as follows or similar substitute: Bell and Howell commuter microfiche reader, portable;" using an American company, an American product as the model on which others must bid.

The Ministry of Government Services, in the microfiche area as well, called for the standard spec as being a "Micron 780 microfiche reader or approved equivalent;" once again using an American product when there is a good Canadian product which could have been purchased. Instead of using that as the model, as the bench-mark, the ministry has been using American products. Government Services did the same thing on a Micron 785 microfiche reader. When the companies tried to approach the minister to get a hearing, they did not even get responses to their letters.

This government has a sad record when it comes to government procurement. Perhaps we are not giving the member for Cambridge enough credit for being acute in this regard. Perhaps he knows of the dismal record of the government. Perhaps he knows how bad it is and he is simply, in his own inimitable fashion, trying to prod them a little. Maybe that is what he is doing. Maybe he is doing as the member for York Centre (Mr. Cousens) does, when he prods the government in his own inimitable way in certain areas where he thinks it might be lacking. Perhaps that is what the member for Cambridge is doing.

There is only one item of all the products which we supply in abundance, and which the

government could buy in abundance, which it buys Canadian with a preferential payment. Do the members know what that item is? It is the only item on which I have ever seen this government buy Canadian. It was Lady Godiva riding habits. That is the only thing about which those people have enough sense to buy Canadian. That is all, a high technology, labour intensive item like that. That is the one area—

**Mr. Ruston:** Could you explain that a little more? Is it riding side-saddle?

**Mr. Laughren:** No, there is only one kind of Lady Godiva riding habit. That is what this government buys and it is made here in Ontario. That is the only thing because, no matter which sector one looks at out there, this government is not doing its job to stimulate manufacturing here in this province or in this country. It is simply not happening.

I actually did some reading on a federal study and this is what it says about government procurement. When it is put this way, it starts to sink in just how important it could be. Talking about government procurement, "The objective is to encourage Canadian domestic industry and the method is to purchase its products even though the prices may be higher than those of imported products."

The study focuses on the extent to which the government is justified on economic grounds in paying a higher price for a Canadian-produced commodity. More particularly, it develops a method of computing just how much extra the government should be willing to pay for a Canadian commodity. This is based on identification of and, as far as possible, quantification of the benefits and costs associated with such a purchase under current conditions.

When this study was done, I believe about four years ago, economic conditions were not as bad as they are now and at that time one could justify a 76 per cent price preferential for a Canadian product. What would it be now? Obviously it would be higher than 76 per cent. However, we also know that when a government is looking to buy something, or a government agency—we tend to forget about government agencies, municipal governments and so forth—very often when they are out there trying to make a purchase and put out tenders, they may not even know what products are available. That is one problem.

The second problem is the product they want may very well not be made in this country. That has been outlined by other speakers this afternoon and it is a very serious problem. We are number



one in the world when it comes to being underdeveloped. We are the most underdeveloped developed country on the face of the earth. As a percentage of exports, our manufactured goods are 17 per cent, excluding auto, and we do not need to go into the disaster in the auto parts sector. Excluding auto and auto parts, 17 per cent of our exports are manufactured goods and that is a very serious problem.

Last year, our deficit on manufactured goods in this country was \$21 billion. Do members know what that represents? When the government is out there trying to make purchases, I am sure very often it looks in vain for products that simply are not made in this country or this province. One would think with an aggressive government procurement policy the government would have somebody saying: "Look, there are all these products we are buying elsewhere. Let's get our act together and see which of these products should and could be made in this province."

But no, that does not happen. The government just goes merrily on, buying the imported products the member for Prescott-Russell was pointing out earlier this afternoon. How does it justify its purchases of those imports? Those products would produce very direct jobs in Ontario or elsewhere in Canada. We do not want to be parochial about it. As a matter of fact, the laws of Canada prevent us from saying it must be Ontario rather than Canada.

It is disturbing to see the member come in with a resolution that has no percentage attached to it. What does he mean by being "more aggressive" with government procurement? What preferential is he talking about? Does he want more than 10 per cent? Does he want 20 per cent or 30 per cent? Does he want the percentage preferential to be dependent on the type of goods? I do not know what he wants, and I do not think it is appropriate just to talk about it in a vague way.

I look at the amount of goods the government must buy, increasingly in the high technology area. We are going to be slipping further and further behind in that area unless the government gets its act together and says: "These are key sectors. We are no longer going to tolerate the import of goods in these key sectors in the future. We are going to insist and help to make sure that they are manufactured in this province."

5:40 p.m.

**Mr. Sheppard:** I welcome the opportunity

this afternoon to speak in support of my colleague's resolution.

**The Acting Speaker:** You have five minutes.

**Mr. Sheppard:** It will not take me more than five minutes.

An expanded, more aggressive, buy-Canadian program is essential in assisting our manufacturing industry to retain its competitive edge. There is no doubt that manufacturing is the backbone of our economy. More than one quarter of all the jobs in Ontario are manufacturing jobs. Other countries with significant manufacturing capability have for years deliberately and consistently promoted their own goods within their own borders. It is time that we adopted similar practices.

The United States, our largest trading partner, has actively pursued buy-American policies, often to the detriment of Canadian manufacturers. The Surface Transportation Assistance Act, for example, requires 50 per cent American content on final assembly of transit equipment funded by the federal government. This legislation represents a serious impediment to the efforts of Canadian manufacturers in penetrating the US mass transit market.

The Surface Transportation Assistance Act also has had a negative impact on our exports of steel. With a minimum US material level of 50 per cent for highway material, Canadian suppliers are at a disadvantage. This situation is further aggravated by the number of American states now moving to protect their own markets. Thirty-seven states now prohibit the use of Canadian steel or other equipment on government-funded projects.

Buy-American policies have been in existence for over 60 years. Canada, and particularly Ontario, should get on the bandwagon and implement more buy-Canadian practices.

Market research studies have indicated that about 67 per cent of the people in Ontario believe they benefit directly when they buy Canadian-made goods. However, the same studies also show that in many cases that belief does not translate into actual support for Canadian manufacturers. According to Gallup Poll surveys, only 40 per cent of the people in Ontario report that they always remember to check the country of origin when they are shopping or buying.

Given these statistics, a full-scale government advertising campaign would go a long way towards creating a public awareness of the importance of buying-Canadian. The advertising initiatives launched by the private sector are



to be highly commended. I am convinced that the ripple effect of these initiatives will have a positive effect on our manufacturing sector, particularly on our auto and steel industries.

Stelco, as my colleague has already mentioned, has begun a \$500,000 campaign promoting the advantages of North American-made cars through a month-long print campaign in 48 papers. As a result of Stelco's initiatives, Dofasco has its own plan under consideration.

The Automotive Parts Manufacturers' Association of Canada has also taken out full-page newspaper ads across the country to emphasize the importance of buying Canadian-made cars. For several years, Algoma Steel has been running a television, radio and print campaign on the relationship between the steel and auto industries.

Our provincial government's efforts to promote a buy-Canadian policy also merit mention. The office of procurement policy has been very successful in its goal to maximize Canadian content of goods and services purchased by public bodies of Ontario. The office is effectively increasing Canadian industry's knowledge of opportunities of doing business with public bodies, facilitating and encouraging Canadian industry to bid on public contracts, as well as increasing public purchasers' knowledge of and confidence in Canadian industry's ability to provide goods and services.

Ontario has also taken an aggressive lead in promoting federal-provincial import replacement programs. The highly successful import replacement program in the health care field has prompted the Ministry of Industry and Trade to investigate similar ventures. The recently announced import replacement program in government purchases of furniture and fixtures, appliances—

**The Deputy Speaker:** Time.

**Mr. Sheppard:** Has my time all gone? You are not going to even let me finish, Mr. Speaker?

**Mr. Martel:** You didn't read fast enough.

**The Deputy Speaker:** The member for Cambridge; the conclusion of his last five minutes.

**Mr. Barlow:** How much time?

**The Deputy Speaker:** Five minutes.

**Mr. Barlow:** I want to thank all the honourable members for so enthusiastically supporting my resolution.

I want to thank the member for Prescott-Russell (Mr. Boudria) for bringing to the attention of the opposition members, but also the government side of the House, some of the

inadequacies in the procurement program of the Ministry of Government Services. I shall see that the minister receives a copy of Hansard so he can correct those little problems that have arisen over the years.

The members talked about foreign ownership. We have known for a long time here that Canada cannot support its own industry. We do require outside assistance. We cannot live on just our own Canadian companies. Certainly we would like to have more Canadian ownership, there is no question about that. But as we all know, this country cannot survive on Canadian ownership. It is not possible.

**Mr. Martel:** Have you read "Galt, USA"?

**Mr. Barlow:** That is all right. We cannot live on just our own Canadian programs.

The member for Kitchener-Wilmot (Mr. Sweeney) asked why we did not bring in a bill instead of a resolution. A good resolution brought into this House by any member on either side of the House will gain support; the government will act on that resolution. It will bring in proper legislation that can be supported by both sides of the House. Certainly there is no way a weak resolution, one that is against government policy, is going to be passed by this government.

The government will always support a resolution that is of good content and responsibility. And people in Ontario are willing and prepared to start buying Canadian. They realize what the problems are.

**Mr. Andrewes:** Tell them about the wine.

**Mr. Barlow:** The member for Lincoln (Mr. Andrewes), from the heart of the wine country, wants me to tell members about our Ontario wines, a very popular product.

**Mr. Andrewes:** Even the member for Prescott-Russell drinks it.

**Mr. Barlow:** I would like to remind all members to buy Canadian wines.

I have here a poll taken by the Cambridge Daily Reporter. It was a small survey but it was of young people. Their pictures are here; they are all young people. They look at labels before they buy now. They did not in the past but they do now. People are ready and willing at all times to buy Canadian. We need assistance from everybody to promote this and to bring on Canadian programs.

**Mr. McClellan:** You'd better tell your government to do that.

**Mr. Barlow:** I told the members about the

brochure the Cambridge council is bringing out. Inside it there are phone numbers for people that members can call to run their own campaigns—to have their own people run their campaigns in their own ridings. We have many examples of Ontario products that merit the support of all people in this province. Foodland Ontario is just one small example.

I want to thank all members in advance for supporting this resolution to develop and to encourage people to buy Canadian, buy Ontarian. It requires the support of all members, all industry, all labour, all business.

5:50 p.m.

#### RESIDENTIAL TENANCIES AMENDMENT ACT

The following members having objected by rising, a vote was not taken on Bill 57:

Andrewes, Ashe, Barlow, Bernier, Cousens, Dean, Drea, Eaton, Elgie, Gillies, Gregory, Grossman, Harris, Johnson, J. M., Kennedy, Kerr, Lane, McCaffrey, McCague, Miller, F. S., Norton, Pollock, Ramsay, Runciman, Sheppard, Taylor, G. W., Villeneuve, Watson, Williams—29.

#### BUY CANADIAN PROGRAM

**The Deputy Speaker:** Mr. Barlow has moved resolution 9.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, I would like to indicate the business for the balance of this week and next week.

Tonight, we will debate the report of the select committee on pensions.

Tomorrow morning, we will continue our debate on second reading of Bill 38.

In the afternoon of Monday, May 10, we will continue debate on Bill 38, and possibly conclude that bill with a vote.

On Tuesday, May 11, in the afternoon we will debate and there will be a vote on the confidence motion proposed by the Leader of the Opposition (Mr. Peterson).

**Mr. Ruston:** We will be here and you can't block it.

**Hon. Mr. Wells:** Well, make sure you are all here.

In the evening, we will begin debate on second reading of Bill 60.

On Thursday, May 13, in the afternoon we will debate ballot items standing in the names of the member for Perth (Mr. Edighoffer) and the member for Ottawa Centre (Mr. Cassidy). In the evening the Treasurer will deliver his budget statement.

On Friday, May 14, we will continue Bill 60, and then if any time is still available, we will go to Bills 9, 12, 13 and 15 standing in the name of the Minister of Municipal Affairs and Housing.

The House recessed at 5:54 p.m.



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Ontario

LEGISLATIVE ASSEMBLY

No. 43

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Thursday, May 6, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 6, 1982

The House resumed at 8:03 p.m.

## REPORT, SELECT COMMITTEE ON PENSIONS (continued)

Resuming the adjourned debate on the motion for adoption of the recommendations contained in the final report of the select committee on pensions.

**Mr. Nixon:** Take it from the top, Jim. Don't leave out that part you gave us the other day.

**Mr. J. A. Taylor:** No, I will not.

Mr. Speaker, I rise to speak in support of my motion for adoption of the recommendations contained in the final report of the select committee on pensions. Before providing a summary of the committee's recommendations, I would like to capsulize my views on the issues and the solutions.

At this stage, the basic issues in the pension debate are clear to everyone. They include coverage, adequacy, vesting, locking-in, portability and inflation protection. There are also the special concerns of women. Everyone agrees that pension reform must provide improvements in these areas. However, there is disagreement on how improvements should be implemented. Two basic vehicles for pension reform are available. One is the private sector and the other is the government sector. Which route is preferred is largely dependent on philosophy.

Relying on the private sector for pension reform assumes belief in the individual's ability to look after himself. Private sector reform allows flexibility for individuals and employers to design retirement income programs to best suit the individual's needs. It recognizes that not all people need or want to be covered by mandated pension plans, and it ensures that money generated from private savings or employer pension plans will stay in the private sector.

Choosing a government sector approach to pension reform assumes that the individual cannot provide for his retirement alone or in combination with his employer. Expansion of the Canada pension plan could provide immediate benefits in terms of expanded coverage, adequacy, portability and inflation protection.

However, such a paternalistic approach would

impose a single benefit structure on all participants and pre-empt the degree of flexibility of coverage and the variety of benefit designs permitted by the private sector. It would also necessitate significant increases in Canada pension plan contributions which would concentrate more money in the hands of government by circumventing the discipline of the competitive capital market.

Of these two fundamental philosophical approaches to pension reform, the majority of select committee members supported the private sector view and, personally, I believe individuals prefer to be self-reliant. The major social dilemma facing Canadians is clear: which avenue should pension reform follow, the government sector or the private sector?

I would like to turn to the recommendations of the select committee on pensions. In its report, the select committee followed the sequence of topics and proposals outlined by the report of the Royal Commission on the Status of Pensions in Ontario. This is the order in which I will present them this evening.

The first group of recommendations deals with government retirement income programs. Government in Canada provides retirement income benefits through federal programs such as old age security and the guaranteed income supplement and through provincial programs such as Gains, Ontario's guaranteed annual income supplement. The royal commission and the select committee recognize these programs require immediate attention to improve benefits, particularly for single pensioners.

The select committee endorsed the principle of the royal commission's proposal for a standard of retirement income adequacy, and the select committee recommended it be linked to the average industrial wage. For single retirees, the select committee recommended they receive not less than 60 per cent of the benefits couples receive.

The one area of difference between the recommendations of the select committee and those of the royal commission was that of universal programs. The royal commission proposed allocating money and services on a strict need basis. The select committee agreed



that those who are most in need should receive highest priority for money and services but also saw value in continuing current universal programs.

**8:10 p.m.**

The second area of recommendations dealt with Ontario's relationship with the Canada pension plan. Issues concerning the Canada pension plan include the level of benefits the plan provides the persons for whom it provides pensions, the plan's cost to participants and taxpayers, because it is not fully funded, and its investment strategy. At the moment, there are those who argue for an expanded CPP which would include paid and unpaid workers.

The royal commission's proposals reflect those of another concerned group which wants to limit further expansion of the CPP in order to control its costs. On these CPP issues the select committee endorsed the royal commission's recommendations. The select committee carefully examined the CPP and proposals to expand it. The committee was persuaded that the costs of the CPP as it is currently structured will be difficult to bear in the near future.

An expansion would create costs that would be unacceptably high. As it is, premiums will have to rise, as was planned from the beginning of CPP, but if the royal commission's funding and investment proposals which the select committee endorsed are acted upon, the premium deduction should not rise above a peak level of nine per cent in the year 2030.

In the area of benefits, the select committee endorsed the royal commission's proposal to immediately institute the child-rearing dropout provision and to make survivor benefits not less than 60 per cent. The committee also endorsed proposals to limit the CPP to paid workers and not to alter the goal of providing a pension benefit greater than 25 per cent of the average industrial wage.

The third section of recommendations addressed employment pension plans. The royal commission identified a number of issues which I outlined earlier concerning employment pension plans. The main issue was that upwards of 1.5 million Ontario workers are not members of registered employment pension plans or holders of a registered retirement savings plan.

As a result of the belief that private pension coverage in Ontario is unacceptably low, and other considerations such as locking in and vesting rights and portability, the royal commission recommended the establishment of a mandatory provincial pension plan, the provincial

universal retirement system. The plan was to be fully funded, provide complete portability, lock in and vest benefits fully and immediately, and allow some individual responsibility in retirement income planning.

The select committee considered this recommendation at great length and in the end did not endorse it. The committee's decision reflects some concerns about the PURS proposal itself; but more than that, it reflects the committee's considered opinion that coverage is not the problem the royal commission assumed it to be.

The 1.5 million workers who have been assumed to be outside the employment pension field include workers who are qualifying for pensions, those who have other sorts of arrangements such as deferred profit sharing and workers who for a variety of reasons do not want to be a part of a pension plan for the time being.

The select committee placed responsibility and confidence for better pensions and better pension coverage on the private system which is in place. The committee was convinced by representatives from labour and business organizations that the private sector could make the pensions it provides more equitable and generous with clear government guidelines.

The committee has recommended vesting and locking in after five years with an early review to consider the possibility of a shorter vesting period. The pension service requirement would be one year of employment and 30 years of age. Surviving spouses would be entitled to not less than 60 per cent of the pensioners' benefits. That entitlement will not be altered by a change in marital or economic status.

It was recommended that administration of pension regulations be improved by the creation of a central pension agency and the function of the Pension Commission of Ontario be expanded. Funding requirements should be re-examined by the pension commission and disclosure requirements broadened to the point that no information necessary for employees to understand the operation of a plan would be withheld. The select committee's deliberations also convinced it that multi-employer pension plans can be greatly improved and that this type of plan can be used in innovative ways to provide pensions for members of the small business and agricultural communities.

Throughout the hearings, the select committee has operated under the assumption that an employment pension is a deferred wage and that there should be no question about an employee's entitlement to that wage. The select com-



mittee's proposals are intended to enhance and strengthen the private system and should bring about important and meaningful employment pension reform. But if reforms are not forthcoming and do not take place within a reasonable time, the committee has left the door open to reconsider a mandatory approach.

A separate area of employment pension plans examined by the royal commission was Ontario's public sector employment pension plans. These essentially operate according to the same rules as private pension plans, but their size and the fact they are funded ultimately by the taxpayers of the province make public sector pension plans a special case.

The select committee endorsed the thrust of the royal commission's proposals to increase control and identification of public sector pension plan costs. Among the select committee's recommendations in this area was that inflation adjustments not be by way of indexing, but rather through the use of the excess interest approach. The select committee endorsed the royal commission's proposal that public sector plans be permitted to invest in marketable securities. Together, these recommendations should help to control costs for employees, the employer and, ultimately, the taxpayers of Ontario.

The major issue under the royal commission's heading Special Retirement Concerns was inflation adjustment. In its report, the royal commission recommended an inflation tax credit as the chief means to adjust pensions for the effects of inflation. The select committee examined the proposal and concluded that, as recommended by the royal commission, it had some serious flaws.

As I have previously mentioned, the select committee has recommended instead the excess interest approach. This method would guarantee that the inflationary earnings of pension funds would be used to adjust pension benefits. The approach is more equitable and generous than the royal commission's tax credit approach.

Other special retirement concerns were retirement age, women's issues, taxation and constitutional concerns. On retirement age, the select committee endorsed the royal commission's proposal for no changes from the current standards.

On the subject of women, the royal commission noted the special disadvantages they face. One recommendation of benefit for women is that, in the event of marriage breakdown, the

committee has stated that pensions be treated as a family asset.

Regarding taxation, the select committee supported and endorsed the royal commission's proposal to use the taxation system to encourage, not discourage saving for retirement.

Finally, the select committee supported wholeheartedly the royal commission's proposals for working towards uniformity in pension legislation across Canada. Federal and provincial co-operation is a must if we are to provide the best pension arrangements possible in this country.

From these recommendations, one can see the thrust of the select committee's report is that the private sector, with the assistance of government guidelines, should be the principal vehicle for pension reform. While the select committee's recommendations are not government policy, I am delighted that the Treasurer (Mr. F. S. Miller) over the past year has taken a stance paralleling this private sector thrust.

**8:20 p.m.**

In a speech to the provincial ministers of finance last June, the Treasurer said: "In my view, government has the responsibility to ensure that elderly Canadians have at least a minimum standard of income. Further, government has a role to regulate employment pension plans to ensure that the promised benefits will be paid and that the terms of those plans are fair and equitable to all plan members. On the other hand, the individual has a responsibility to provide for his own retirement needs above the level provided by government programs. In addition, he should have as much flexibility as possible to arrange for his retirement income in the way he deems most appropriate."

The private sector philosophy of pension reform is not accepted by everyone. The NDP members of the select committee expressed the dissenting opinion that appears at the back of the committee's report. They recommend that, "The private pension industry be displaced from its dominant role in providing retirement income for workers by radically expanding the public pension system." The NDP advocates the creation of a national pension plan that would involve expanding the Canada pension plan and consolidating it with the old age security program.

Politically, expanding the CPP is an attractive option. It could provide immediate benefits without having to pay for their full costs, at least initially. This option was rejected by the majority of the select committee members because,



besides going against the basic private sector philosophy, it is believed to be, in the long run, a more costly solution to pension reform. An expanded CPP means contributions would have to be increased significantly if the plan is to remain solvent, and higher CPP contributions mean money that would have been used in the private sector would flow into a government controlled fund. As noted in the report of the royal commission, easy access to inexpensive sources of government money can foster fiscal irresponsibility.

Monique Bégin, Minister of National Health and Welfare, has been continually advocating the route of an expanded CPP. Recognizing a mutual concern over pension issues at both the federal and Ontario government levels, I tried many times early this year to contact Madame Bégin to invite her to meet with the select committee, at her convenience and on her terms. My efforts were unsuccessful.

She stated in a letter to the executive director of the Family Service Association of Metropolitan Toronto last fall: "Pension reform is the highest social priority of the government of Canada in this term of office. We are working hard to achieve this goal." While I do not question her current effort to achieve pension reform, I deeply regret her strategy and her perception of the provincial role in this endeavour, especially as the pension field is fundamentally one of provincial jurisdiction, according to the Constitution. This was not changed in the recent overhaul of the Constitution.

Ontario, as a major population and industrial centre, should take a firm stand on pension reform and provide leadership in the field. However, the need for legislative harmony and the satisfaction of common goals demand that federal-provincial pension initiatives should be both co-operative and complementary. The acrimony that has characterized recent federal-provincial relations in other policy fields must be avoided.

Now that the select committee report has been tabled, the only other major paper on pensions being awaited is the federal government's green paper, an option paper due to come out this summer. With the study of pension issues soon to be exhausted and with many proposed solutions soon to be known, what is the short-term prospect of pension reform? From the viewpoint of the select committee, I can say that all political parties are anxious to see reform. The stage is set for pension reform and it is hoped the proposals

and recommendations can soon be translated into action.

Members have heard the select committee's position in favour of a solution using the private sector as the principal vehicle for pension reform. This would allow individual and private sector initiative and flexibility. They have also heard that other factions support an expansion of the Canada pension plan which would provide immediate benefits. The progress of pension reform now rests on political initiatives.

On the cost side, every solution to the pension problem is expensive. It is up to policy-makers to devise workable solutions that will satisfy major pension concerns within the boundaries of the current economic constraints facing all sectors. The cost of all facets of a pension reform plan must be affordable by the government, the private sector and the individual. I think judicious implementation of the select committee's recommendations could provide an adequate solution at an acceptable cost.

On a personal note, I would like to thank every member of the select committee for the courtesy they showed me as chairman. Without exception they tackled a very difficult subject in a straightforward, conscientious way. Discussion and debate was on a high plane. Conscience, common sense and conviction took precedence over partisan politics. Honest differences of political and economic thought were acknowledged and found themselves manifest, where appropriate, in dissenting opinions.

In tabling the report and moving its adoption, I felt satisfied the select committee appointed by this assembly discharged its mandate economically and expeditiously as men and women of goodwill and understanding are wont to do.

**Mr. Riddell:** Mr. Speaker, while bouquets are being handed out I would like to compliment the member for Prince Edward-Lennox for his excellent job of chairing the select committee. I thought he did a masterful job. It was down to business the whole time we were in there. We covered a lot of ground and it was largely due to his efforts that we accomplished as much as we did.

This final report of the Legislature's select committee on pension reform has come down without much fanfare. That is unfortunate, because without doubt one of the most important areas that need to be reformed is that of retirement income and security. If there was ever a time when this House should be full of members it is when we are debating this issue. It is one of the major issues that is going to be



facing governments from now on. I would have thought we would have seen more interest in this subject this evening.

The process of pension reform began in 1977 with the formation of a Royal Commission on the Status of Pensions in Ontario and it reported in February 1981. Subsequently the Ontario select committee on pensions was formed to study the recommendations of that royal commission with a view to advising government as to which ones should be implemented and which ones should be discarded. As politicians sitting on that committee, we were forced to deal with a retirement income system that is fraught with inequities.

**8:30 p.m.**

By 1979, between 463,000 and 575,000, or 32 to 39.5 per cent, of Canada's senior citizens were living below the poverty line. According to the Ontario Status of Women Council, two years earlier, in 1977, some 115,580 elderly women in this province were already living below the poverty line. On the other hand, the Ontario government owes \$18.9 billion to the pension fund and is charged with a further \$1.4 billion in the unfunded liabilities of the two provincial pension funds, the Public Service Superannuation Fund and the Teachers' Superannuation Fund.

These pension funds have been a source of easy money for government. The Ontario government has reacted like a cat with catnip. The Treasurer has proudly boasted about not going to the public market to finance his deficit. Why would he, when easy access to the pension fund system has been too tempting to ignore? Because successive Ontario Treasurers have succumbed to this temptation we are today handicapped by a system of funds to which we as a province must start repaying massive amounts of principal and by a Canada pension plan that is due to run dry by the year 2003 unless the contribution rate is substantially altered.

Some of the social ills arising from our current retirement income system have recently become all too apparent to us. There is the person who works for a company for 20 years and then leaves with no pension at all from his job, and the person who wants to change his job but would be unable to take any credits with him towards his new pension fund if he did so. There is also the person who leaves a job just before meeting the vesting requirement and therefore loses all of the pension fund contributions made by his employer on his behalf.

Then there is the widow who spends her life

working in the home and raising a family, who finds out after her husband's death that his pension fund has no provision for a surviving spouse; and bear in mind that two thirds of private sector plans provide no widows' pensions. High levels of inflation make paupers of our elderly as they try to eke out their existence on rapidly eroding fixed incomes, while civil servants enjoy indexed benefits.

Let us not forget that an annual inflation rate of 10 per cent will halve the buying power of a retirement cheque in just seven years. Let us not forget either that while inflation plays havoc with our incomes, pension fund money has been made available to government at low interest rates only to be used, in whole or in part, for social services- or so we are informed by the government; I believe that much of it has been spent on government extravagance. Who knows whether we are using some of the pension money to pay for this \$10-million-plus jet? Who knows whether we are using some of that pension money to pay for our 25 per cent interest in Suncor? That is something we cannot get from the government.

While the social ills in this province become steadily more serious, the Ontario government continues to have very little knowledge on the subject of pensions and pension funding, notwithstanding the numerous reviews that have already been undertaken of the entire system. Moreover, the government's sole response to the issue has been a typical one: establishment of a royal commission and then a select committee to study the recommendations of that royal commission.

The politician's perspective of the whole question of pension reform is perhaps different from the perspective of people who did not have the advantage of sitting on the select committee or who really have not given pension reform a thought. I cannot think of a better forum in which to discuss the politician's perspective because, no matter what the problems and the solutions turn out to be, this question inevitably will be answered politically. As politicians, we must attempt to answer serious financial and personal questions on this issue.

We can make a list of the problems facing us. We can even get some idea of the best solutions available to us. However, we must also take into account many competing social interest groups. Our ultimate answer to the pension fund problem must be a compromise that satisfies all of those groups, from the large corporations to the women raising families in their own homes.



The question we must answer, therefore, is how we address this issue from a political point of view. In many ways, the Canada pension plan would be the neatest and cleanest vehicle for expanding the current benefit scheme. I am sure we will hear more of that from my friends to the left. But do we really want to have a public fund that is so large and powerful? Do we really want to burden our children with the intergenerational transfer of funding responsibility that will occur as a result of substantial changes to the CPP? Do we know enough about the consequences of the changes to make such all-important decisions?

Last year my leader, who at that time was the finance critic for our party, attended the National Pensions Conference. He was amazed at the lack of dialogue between people on the benefit side and people on the financing and administrative side of this issue.

Let us look at the issue from the politician's point of view and attempt to envisage the problem as it appeared to those of us on the select committee. As a member of the provincial Legislature for the past nine years, I have been particularly concerned about what promises to be one of the most crucial issues of this decade, the reform of Canada's pension system. No other issue has such potential for profound social and fiscal change.

Numerous major reviews of the system have made the inequities of our pension scheme all too apparent. Problem areas such as portability, vesting, coverage, indexation and survivor benefits have become predominant themes in discussions of pension problems. Suggested reforms for these inequities have emerged, but the politics of pension reform make it necessary to weigh the fiscal outcome of any solution to the pension problem against social needs.

The politics of pension reform fall into three general areas: the cost and feasibility of implementing such needed social reform; the extent to which the private sector pension scheme should be legislated; and the inevitable conflicts among various levels of government over who should assume responsibility for current pension inadequacies and who should undertake to correct them from the social and financial perspective.

One persistent problem in Canada has been the conflict among the various governments charged with the responsibility for administering pension benefits and for pension regulation. Problems of co-ordination and flexibility are acute owing to the dynamic and highly mobile nature of Canada's labour force.

On the other hand, the financial soundness of the Canadian pension system has been questioned in many recent studies, reflecting deep concern about the manner in which predicted economic, social and demographic changes will affect everything from pension eligibility to pension funding.

Therefore, the objective must be to develop a method of meeting the social need of adequate retirement security while maintaining fiscal responsibility in the system. Problems would be relatively easy to solve if this fine balance were achievable. Even businessmen and the bureaucrats disagree on the time and the speed of change.

Ontario adopted the first provincial Pension Benefits Act in 1963. This legislation was in response to growing criticism from workers who were experiencing difficulties with private pensions and employer-sponsored plans. Some workers had discovered that benefits were far smaller than expected or, in some instances, that they had no entitlement to benefits over and above those contributions which they had made. Sometimes, interest rates used on accumulated pension funds were far too low, thus limiting the payments that workers could reasonably expect. There were instances of plans being terminated for a variety of reasons and in many cases workers received no benefits at all because their pension funds had ceased to exist.

The Ontario legislation coincided with the development of new thinking and new attitudes towards pensions. Increasingly, pensions were regarded as deferred wages. Previously, they had been thought of as rewards for long service, but collective bargaining changed that perception. Treated as a deferred wage, pensions could be expected to include some rights such as vesting, reasonable interest, disclosure and employee participation in pension fund planning committees. Vesting was the principal point of concern for which Ontario developed the 45 and 10 rule, a rule that was later adopted in other provincial legislation.

**8:40 p.m.**

Ontario's act was followed by Quebec's in 1966, Alberta's in 1967 and Nova Scotia's in 1977. At the outset, most of the acts were similar, if not exactly the same. When Manitoba introduced legislation with wide disclosure requirements in 1976, provincial plans began to diverge. In 1979, Quebec expanded disclosure requirements. Investment standards were altered in some jurisdictions to take advantage of petroleum industry opportunities.



In 1980, Ontario created the guaranteed fund. On July 1, 1981, Saskatchewan's new pension benefits plan came into force, permitting earlier vesting, defining a minimum employer contribution, prescribing interest rates on employee contributions, allowing plans to be put under trusteeship and broadening disclosure requirements.

The next major set of changes should come from Ontario and when the changes come, they will be very wide-ranging indeed. None of the various governments, however, has been able to include all their residents in legislation, since only about 44 per cent of the total work force is actually covered by employer-sponsored plans.

Coverage varies from industry to industry. As expected, coverage is greater among major industries and large firms than among small businesses. Low levels of unionization, the problems of part-time employment, administration costs and the lack of available plans suitable for the needs of small businesses are some of the reasons why coverage is poor in this sector.

About 98 per cent of the work force outside the home participates in the Canada pension plan or the Quebec pension plan. But for those working in the home, who are usually women, CPP coverage is not available and, as previously mentioned, employer-sponsored plan coverage is far less complete than Canada pension plan coverage.

People can also be excluded from plan coverage because they do not meet service or age requirements or because they are unpaid family workers. Other uncovered workers include the self-employed, people who opt out of voluntary plans and people who make alternative arrangements such as deferred profit sharing.

How adequate will proposed pension reforms be to our system if we still cannot reach everyone? Uncovered or inadequately covered groups include low-income earners, women in the home, employees of small businesses and non-unionized workers. Because many members of these groups have limited savings, it follows that their retirement income needs will have to be met through some part of the public system.

At this point, I would like to make reference to some of the other desperately needed social reforms.

Portability is an idea whose time is long overdue. It is hard to believe that in the 1980s we do not have a mechanism in place for portability among pension funds, at least not in the private sector. There is provision generally among

public sector plans and a plan that has been put into effect by the Canadian Life Insurance Association after a two-year study period, whereby currently more than 20 major life insurance companies are participating in a scheme that allows an employee to move to a new employer and take with him pension credits for a specified number of years of service. So there is a glimmer of hope in this regard in the private sector also.

However, if an employee of a chemical company wants to change his job and work for a steel company, he cannot transfer his previous credit to his new employer. When pensions are not portable, people who change jobs end up with bits and pieces of pensions scattered among various employers. The total of these small pensions is often less than the pension they could have collected if they had stayed with one employer.

The difficulty in establishing portability in the private sector arises mainly from the many differences in pension plan designs. Lack of portability not only is a deterrent to the much-needed mobility of labour but also is grossly unfair to employees.

What is needed is a scheme to enable employees to carry periods of service from employer to employer. The basic problem that had to be addressed was that some plans were more generous than others. To date, pension plan portability has been viewed as prohibitively costly, mainly because it had been considered solely in terms of some kind of bilateral agreement between two pension plan sponsors.

The life insurance association proposal does not solve the problem of cost, because participating sponsors and their portability schemes do have to work out a pension service transfer value. What the plan does is lay down a series of guidelines for the participating members. These will ensure a basic degree of consistency while providing for plans of different generosity.

Portability is not only an advantage for the employee; from the employer's point of view, the lack of portability means former employees must be kept track of, together with the credits owing to them, long after they have left the company.

A substantial segment of the life insurance industry will be adopting this portability scheme over the next five years, and it is anticipated that other pension plan sponsors in different sectors will follow this lead and eventually will create the possibility for portability among private plans.

The insurance companies were obviously



motivated by the growing demand for portability which, if not met by the private sector, eventually might be satisfied by government regulation.

Vesting and portability provisions should be addressed simultaneously. When an employee's pension benefit becomes vested, he is entitled to his employer's contributions made on his behalf. But under current Ontario legislation, full vesting is required only after age 45 plus 10 years of service. Should an employee leave before these two qualifications are met, he receives back his own contributions, plus interest, but not the company's contributions.

A company's contributions to a pension plan on behalf of its employees should be considered part of the wage package, and the contributions should go with the employee.

The Haley commission, the Ontario Legislature's select committee, and now the Treasurer, have come out in favour of vesting and locking in after five years of service. With our country's highly mobile labour force, this is more appropriate than Ontario's current 45 plus 10 rule, which is not generating enough years of pensionable service.

Inflation added another dimension to the problem of protecting incomes of the elderly. In 1978, 39 per cent of elderly persons lived on incomes below the poverty line. In fact, there is probably no element of our modern society in greater need of the revision of the current inequities of our pension scheme than elderly Canadians trying to exist on rapidly eroding fixed incomes. Statistics suggest that the goal of preventing poverty among elderly Canadians is not being met by the country's retirement income scheme.

If inflation had not hit Canada so dramatically in the 1970s, most workers and their employers probably would have been quite satisfied with the benefits provided by their pension plans. But the cost of indexing is high. In some cases, ad hoc catch-up increases have been made by private companies from time to time, particularly over the past 10 years.

Indexing represents an open-ended and expensive commitment. The challenge to private sector plans is that of making the money in the pension fund work for you. Wise investment of these funds in well-diversified portfolios would best protect the purchasing power of the pension benefits; and, coincidentally, the proper investment of these funds would help to stimulate our economy.

Probably one of the grossest inequities in the

pension scheme is the indexing of public sector plans at the expense of the private sector. Two thirds of public sector retirees had an indexing provision in 1978, yet only five per cent of private sector employees enjoyed such a provision. Even when such a provision was made, the increase was limited to two or three per cent.

The lack of indexing among private plans means that real income for those who depend on such plans decreases steadily over time, and in recent years those decreases have been dramatic. As I have stated previously, an annual inflation rate of 10 per cent will reduce to half the buying power of retirement cheques in just seven years.

While a requirement that all pension plan benefits should be indexed to increases in the consumer price index would be politically impossible, some interest is being shown by the pension industry in the excess interest approach. As most members will know, this is the concept whereby any interest earned on the funds investment in excess of a predetermined base level will be applied to benefits to increase them accordingly.

Whatever the solution, it is an example of the caution with which government must enter the domain of pension funds in the private sector lest the financial capacity of a private company be jeopardized.

**8:50 p.m.**

Vital pension reforms are needed for the surviving spouse. Our current pension system by its very nature effectively discriminates against females because they earn less. It also ensures that a substantial portion of females will spend their retirement years in poverty.

In 1976, of all participants in private sector plans, two thirds were in plans that provided no widow's pension. Even when both private and public sector plans were considered, fewer than 60 per cent provided widows' pensions.

When one considers another basic problem, that pension plans cover only about half of the labour force in Canada, living beyond the age of 65 drastically increases the odds that a woman will live in poverty. Even if a woman has been in the labour force herself, she is not going to benefit equally with a man. A Statistics Canada table showing pensioners of private plans by annual income and sex revealed that females in every income level received an average pension less than the male.

For example, in the lowest income bracket, less than \$1,000 annually, a male received an average pension of \$412 but a female received

\$262. In the income bracket of \$5,000 to \$6,000, while a male received an average pension of \$2,514, a female's pension was \$1,964—and it goes on and on.

Since women's earnings in Canada are now 60 per cent of men's earnings and the Canada pension plan and private plans are based on earnings, women's pensions are always lower. Women who take time off to raise a family earn fewer pension credits. Women who work part-time generally earn no pension credits at all. As a group, women are almost certainly worse off in terms of pension.

While these problems and their solutions in some cases have become all too apparent, the politics of resolving them remains the predominant concern. How far does any level of government enter into the private sector with legislation? Pension costs have increased from 1.5 per cent of payroll in 1969 to between five and seven per cent of payroll in 1977. And there are no signs of letup in the rise of public or private pension costs. How much further should a government go in imposing extra costs on businesses to control the adequacy of the benefits provided in their privately sponsored plans?

Many members of the committee reviewing our pension system have looked at alternatives to the regulation of private sector plans by government. Obviously one of those alternatives is to replace our current system, consisting of thousands of different public and private plans, with one universal mandatory plan. Employers themselves could be made responsible for such a scheme, or it could be operated by the province alone or in conjunction with the federal government.

A second option is a very much expanded role for CPP which could all but replace private employer-sponsored parts of our retirement income system. This option overcomes some of the difficulties such as vesting and portability which are inherent in various employer-sponsored plans. However, the financing requirements for an expanded public pension plan approach would be tremendous and might very well create enormous economic problems.

Ontario's royal commission, on the other hand, has suggested the provincial universal retirement system, a provincially based universal pension plan. Whether the preferred plan should be provincially or nationally based, the fact that it would be mandatory implies certain consequences that ultimately would flow from requiring workers to become involved in a universal pension system. Costs would increase

for workers and employers. Current incomes would fall as a result. The cost also would adversely affect small businesses and marginally competitive firms. Investment capital could become limited. Intergovernmental co-operation would be a necessity because of the tangled jurisdictional responsibilities in the area.

Of course, a mandatory system does have advantages. It would extend and integrate current programs, and within the context of such a system it would be possible to address equity consideration such as vesting and portability.

The ultimate decisions on changing Canada's pension system will be difficult to make and, above all, they will be of a political nature. We are not just dealing with reforms to benefit society in general; we are dealing with various groups, each with a special interest to protect—groups ranging from trade unions and large corporations to small businesses and women working in the home. All these groups must be satisfied under one unique pension system.

While there is general recognition of the need for pension reform, there is little agreement on the manner in which this may best be achieved. Should the option of expanding the Canada pension plan be chosen, this would commit future generations of workers to a level of financial undertaking they might be unwilling or unable to bear. It would also not provide the flexible, diversified approach to pension reform which I believe most politicians in Ontario are seeking, and it would increase dependence on government for benefits it might not be in a position to guarantee.

Whatever decisions are made on future changes to our pension system, it should be noted that any substantial alterations in the retirement income system will create huge new funds of money. Such funds pose some potential difficulties, because they could drain off money that otherwise would go to finance investment opportunities in the private sector.

There are other questions as well. For example, where will the funds be located and for whom will any excess capital in the funds be used? Will the funds be kept in the provinces where the contributions are made? If they are not, massive capital transfers could occur similar to those that have resulted from oil pricing. Will the funds be lent to government? If so, there is the question of repayment and the responsibility of government when such large amounts of money are available. The issues raised by these considerations are extremely important, not only for the wellbeing of Cana-



dian society in the near future but also for the health of Canadian capital markets.

The select committee released its interim report last fall with some specific recommendations. We recommended vesting of employees' pension benefits after five years of service. We recommended that employees should be allowed to sit on the board that manages their private pension plan. We dealt with portability by suggesting employees should be allowed to transfer at least 50 per cent of their locked-in benefits to a noncommutable registered retirement savings plan or to a new employer pension plan.

We suggested the indexation of benefits to gain some protection against inflation by utilizing the excess interest approach. We recommended that in the event of termination of employment, contributions of employees not yet vested should be credited interest at a rate of at least one per cent below the annual rate on banks' nonchequing accounts.

Finally, we tackled the immediate problem of Ontario's elderly who are struggling to survive on fixed incomes, recommending an increase in guaranteed annual income system payments to bring the monthly income of a single pensioner up to \$550 from its current \$493.

You will have noted, Mr. Speaker, as you perused the interim report, as I am sure you did, that one vital aspect of pension reform had not been dealt with by the select committee and that was coverage, the trickiest aspect of all. Once the committee had decided on the necessary reform, it had to find a method of applying this to the total work force in view of the fact that only 40 per cent belonged to pension plans.

Our biggest problem seemed to be, how do we extend the coverage? Even the Treasurer avoided this issue in his speech to the conference of Financial Executives Institute Canada. In that speech, he expressed his preference for achieving pension reform through the private pension plan system as opposed to any extension of the public system. That would be a splendid idea except that less than half of the labour force would be covered in that way, and the Treasurer made no suggestions in that speech as to how this weakness could be overcome.

Probably the most controversial recommendation the committee had to deal with was the one involving a mandatory retirement income scheme referred to by the royal commission as the provincial universal retirement system.

The committee was well aware of the advantages of a scheme such as PURS in overcoming

the difficulties associated with portability, vesting, locking in and, probably most important, expanded coverage. However, the committee also saw many disadvantages to PURS, including the time it would take to mature, which is something in the neighbourhood of 47 years; the increased cost to small businesses; the effect of PURS on existing pension plans; the additional savings that would be required from some people whose current income would not be adequate enough to support such savings; it could discourage interprovincial labour mobility if only implemented in Ontario; and finally, it would duplicate many features of the Canada pension plan, adding one more layer of bureaucracy to the provision of pensions.

9 p.m.

In addition to these criticisms, the committee was given evidence of portability features being introduced by the life insurance companies for their private pension plans, and the concept appeared to be a workable one. The committee decided, therefore, to allow the existing employment pension systems the opportunity to absorb the reforms proposed in the report to provide better coverage and better pensions. Only if the private sector failed to do this would such a scheme as the provincial universal retirement system be reconsidered.

In conclusion, there is an ethical question here. Should we be forcing everyone to save for retirement? If the answer to that is no, the present optional qualities of the employer-sponsored pension plan system will prove to be quite adequate. If the answer is yes, then we need to determine immediately how we may extend the coverage of a system that is not adequately serving this purpose.

It is to be hoped the final report of the Ontario select committee on pensions will serve as the working document for federal-provincial negotiations as well as for public discussion. The question, as I see it, is how do we build a financially responsible and credible income system for our elderly without financially crippling our children and without a massive intergenerational transfer of wealth. Let us not forget that time is ticking away. Every day we delay makes it more difficult to evolve a responsible approach to a new retirement income system. How much longer can we afford to postpone the solutions to this complex and vital question?

**The Deputy Speaker:** It is not ordinarily done from the chair, but we do have some guests in



the gallery. I would like to bring to their attention that we are resuming the adjourned debate on the motion for adoption of the recommendations contained in the final report of the select committee on pensions.

**Mr. Mackenzie:** Mr. Speaker, I am pleased to participate in the debate on the final report of the select committee on pensions. I wish to pay tribute briefly to the chairman of the committee, the member for Prince Edward-Lennox, who certainly gave everyone on the committee a fair shake and was most co-operative at all times.

Our key staff, Mr. Rick Jennings initially and then Dr. James O'Mara of the legislative library research services, did all that was asked of them and were ably assisted by their support staff. Dr. Graham White, clerk of the committee, was always able and always willing to assist, and a number of civil servants gave freely of their time and advice to the committee as well. Finally, all the committee members owe a debt to Wells Bentley, Ontario's recently retired superintendent of insurance, who provided a wealth of valuable information. Time and again Mr. Bentley helped me to understand in some measure the intricacies of the pension field so that the problem we were trying to deal with could make some sense to a layman like myself.

My colleagues of the Ontario Legislature were not hard to work with, and I appreciated the general absence of rancour from the hearings themselves. But beyond the ability at least to work together there was an obvious divergence in our paths. While I do not reject the many recommendations we were able to agree upon, and indeed some may be of considerable benefit in the private pension field, I am sorry to say our committee missed the boat entirely in dealing with the real problem of assuring that all Canadians have a decent income at retirement.

It seems to me the members of the committee, with the exception of the member for Bellwoods (Mr. McClellan), did the people of Ontario a real disservice by copping out totally when it came to facing the issue of adequate universal and portable pension coverage. There was an obvious need to improve and extend pension coverage, a need that was recognized and acknowledged by the Royal Commission on the Status of Pensions in Ontario and which led to the appointment of this select committee. But apparently it was not enough to encourage the members of this committee to grasp the nettle and to address the problem we know we face in the province.

I would ask the Conservative and Liberal members of the committee a question. The insurance industry, the financial institutions and the representatives of management all had an interest in who got and who controlled the premiums involved. Why were their arguments allowed, once again, to outweigh the legitimate needs, hopes and aspirations of the thousands of Ontario residents who are retired or facing retirement? Why also did they outweigh the briefs of almost every citizens' and union group that appeared before us?

When will the needs of the people of Ontario who are ready and willing to pay for some security and dignity in retirement take priority over the financial self-interest of an industry? Or is it possible the members of both the old parties are too ideologically straitjacketed to accept that notion because the answer appears to lie in the public field?

Even if the evidence is overwhelming that the public approach is the one that makes sense; even if it is proved that it is able to provide decent pensions; even if it is the most efficient and businesslike and acceptable way, the simplest and quickest way and the most socially acceptable way, why can they not agree simply because it is not private? Is the rigidity so great in the members of the two old parties?

If the members of the Liberal and Conservative parties who served on the committee were responding strictly to instructions from above in their rejection of improved public pensions they and their parties are going to have to answer to those who are going to retire in this province over the next several years.

I and my colleague, as New Democratic Party members of the select committee on pensions, argued for, almost pleaded for, recommendations dealing with adequacy, portability and additional coverage. All of these are clearly possible through the expansion of the Canada pension plan and the current old age security system. There was not a shred of hard evidence before our committee that this could be accomplished in the manner necessary through any of the reforms suggested by the private pension sector.

Indeed, this fact was clearly recognized in the Royal Commission on the Status of Pensions in Ontario, in their rather curious promotion of a bastardized provincial equivalent of the CPP, the provincial universal retirement system program. Fortunately the deficiencies of such an approach were obvious to almost everyone who appeared before the committee and to almost



all of the members of the committee itself. The recommendation died an early and a well-deserved death.

In spite of our efforts to really tackle the problem of an adequate pension, we were unable to convince a single Liberal or Conservative member to adopt the position we took. We set out our arguments, as clearly as we could, in the dissent that is part of this report. It is set out on pages 153 through 162, and I commend it to all members of the House in the eternal hope that it may revive some small spark of common sense and concern among the members of this House. They should be concerned with the future of the people who have helped to build our province and who have made Ontario work.

Having failed to move our fellow committee members on the road to reform, we feel it is legitimate to put on record what the members of the other two parties were prepared to do in response to an obvious problem that most of them admitted existed. In my view the answer would have been funny if it had not been so tragic.

With the young progressive member for Brantford (Mr. Gillies) leading the way—and I wish he were here tonight—and laying down the line, a line that was accepted almost totally by the Liberal and Conservative members, one after the other, we were answered in the following manner in response to our plea for improvements:

**9:10 p.m.**

First, we were assured that we had done some fine work and that our recommendations for improvement in the private pension industry were important and would bring about some needed changes. I am not really arguing with that, but we are dealing with a proportionately very small number.

Second, we were told that even though the arguments we heard were rather meagre, the situation in terms of pension adequacy really was not so bad. I am a little surprised to hear the chairman of the committee use that as one of the arguments which convinced the committee there was really no hurry to reform, the royal commission report and recommendations notwithstanding.

Third, we were told we should recognize the Canada pension plan was really just coming of age and would show a future performance which would be much more adequate. Finally, and this is where I personally was floored, we should monitor the situation for another five

years and, if necessary, we could crank up the whole procedure once again.

It was just unbelievable. The members of the committee, with the member for Brantford leading off in this kind of an approach to reject the reforms needed in the public pension field, were clearly staking out a position that is far to the right of Attila the Hun. One got the impression as well that the five-year review was thrown in only for insurance and as a way to open the door if the public ever really grasped the extent to which the Con-Lib party of this province had copped out.

It would clearly not be just a case of the five-year hiatus they are talking about. Any action we do take in the terms of pensions, as all of us know, takes years to have full effect. What we have done with this cop-out is really an act of treachery for almost an entire generation of pensioners in Ontario.

The editorial in the *Toronto Star* of April 6, 1982, speaks eloquently to what I see as the shame of this committee and the deeds I have been attempting to outline. While the *Star* probably is not very often a supporter of our party, it clearly breaks with the position of both the old-line parties on this issue and I am pleased to see it. The break is clear enough that I think the editorial is worth reading into the record. It is the April 6, 1982, editorial in the *Toronto Star* headlined, "Expand Canada Pension." It reads as follows:

"The 13 Ontario MPPs who, since last July, have been sitting as a select committee of the Legislature to discuss pension reform certainly pinpointed the problems in our pension system." We did that.

"The majority of them, unfortunately, do not support the solution that holds the best promise of assuring that all Canadians have a decent income in retirement: The expansion of the Canada pension plan. Only the two New Democratic Party members of the committee, Bob Mackenzie and Ross McClellan, who wrote a dissenting opinion to the select committee's final report—made public recently—support expansion of the Canada pension.

"The remaining committee members—seven Conservatives and five Liberals—prefer to rely on employer-sponsored pensions, even though these have been deficient in the past and show few signs of improving."

**Mr. Riddell:** Five Liberals?

**Mr. Mackenzie:** I did not want to be inaccurate in terms of quoting the editorial. "In encouraging more and better company pension



plans while rejecting expansion of the Canada pension, the committee displays a curious lack of logic. The Canada pension should remain as it is, the majority report says, because to expand it would be too costly for employers and employees whose premiums would be increased to pay for the higher level of benefits.

"But," as they say, and they point it out so well, "most company pensions require both employers and employees to contribute, so costs would surely go up anyway." This is true whether this approach is used in the private field or whether we went to the PURS approach.

"There's a good deal of evidence that most ordinary Canadians would prefer to pay higher contributions to the Canada pension and be guaranteed benefits on retirement rather than pay into private plans that may, or may not, yield a pension."

There were some of us in that committee who have worked at five different jobs in our lifetime and have not met the requirements for any of them so have nothing in the way of pensions, even though a good many years were spent in the private sector.

"That, as the committee acknowledges, is one of the major problems in the pension system. Only about 40 per cent of workers in Canada have access to company pensions. Of those who do, some never collect benefits because they changed jobs frequently. In Ontario at present, workers must stay with a company for 10 years and be 45 years old before their company plans will actually pay them a pension on retirement. If they leave before that time, they receive a lump sum equivalent to their own contribution plus interest, which they may, or may not, invest in a personal retirement savings plan.

"In addition, few private pensions are indexed to inflation and few provide survivors' benefits. Lack of the latter often means that widows, especially those who have no pension of their own because they have not been in the labour force, are relegated to poverty in their old age.

"The Canada pension plan avoids these pitfalls. It is indexed to inflation; it is universally available everywhere in Canada for everyone in the labour force, whether full or part time; it stays with individual workers no matter how often they change jobs, and it provides survivor benefits."

As an aside, I might also say the evidence is that only between 15 and 20 per cent of the money put into private pension plans is ever taken out because so few people qualify.

"The committee is on sounder ground when it

urges the government to improve the supplement for the needy single elderly who have no income other than the federal old-age pension and the federal and provincial supplements. A single person, the committee says, should receive no less than 60 per cent of the amount paid to an elderly couple.

"Were this proposal now in effect the single person age 65 or over would be receiving \$583 a month instead of the current \$515.

"The committee also wisely rejects a recommendation of the Ontario royal commission on pensions which would, if implemented, require all Ontario workers to buy their own retirement savings plans through payroll deductions to which their employers contribute. The most serious disadvantage of such a plan is that it severely restricts workers' mobility outside Ontario.

"But the failure of the majority of the committee to acknowledge that an expanded Canada pension is the best vehicle for reform of the pension system makes the entire report much less useful than it could and should have been."

On the report itself: We were able to agree on some 70 or 80 recommendations—I may be a little out on the numbers there. The New Democrats dissented on another 18 recommendations. There was unanimity on the part of the Liberal and Conservative members. One would wonder where the official opposition was in this House. On this issue, they were as alike as two peas in a pod.

**Mr. Riddell:** We believe in private enterprise.

**Mr. Mackenzie:** Some of the recommendations were of real value. The lowering of the time for vesting to five years—when and if we see the legislation, I might remind this House—and a further reduction possible in three years' time, may be possibly the most valuable recommendation among two or three that I think are going to have some effect and help people in the province; once again a limited number of people.

I personally felt vindicated that this recommendation was in line with a resolution that I moved in this House on October 30, 1979, which was debated on November 15, 1979, and which received support of members of all parties at that time.

The resolution said: "That, in the opinion of this House, the government of Ontario should take immediate action to provide for the full portability and protection of pension benefit credits and, specifically, the government of Ontario should introduce legislation that would



(a) reduce the vesting period for pension benefits to five years of service, (b) ensure full portability for terminated employees through the establishment of a government administered central pension agency to which all vested employer contributions and locked-in employee contributions could be transferred and which would maintain records, invest the funds and pay accrued benefits on retirement, and (c) establish a mandatory system of pension plan termination guarantees that would protect the pension benefit credits where private pension plans are terminated and particularly as a result of a plant closure or relocation."

We got one or two of the three recommendations—one totally, one partially, I guess—in that resolution that went through this House almost three years ago in this report.

It is not my intention to deal with more of the recommendations for I have little doubt the other members will praise them adequately in an effort to gain some credibility for the committee's work and perhaps, even more, in an attempt to throw a smokescreen before the glaring deficiencies in the report of the committee and its failure to deal with the real problem.

It was not necessary for us to deal with some of the recommendations of the report from the royal commission and there were a few that all three parties rejected.

**9:20 p.m.**

Foremost among these was the previously mentioned provincial universal retirement system proposal, the province-wide equivalent of the CPP and only organized through the private insurance carriers. One or two of the Tories as well as one of the Liberal members were intrigued with the idea, but with the industry itself skeptical and with the Treasurer clearly opposed, the rejection was a practical necessity even if the idea was philosophically appealing to some of the members.

I erred when I said there was not a recommendation in the report on which the Liberals and the Conservatives differed. There was a second dissent entered in the original interim report by three Conservative members—the member for Oriole (Mr. Williams), the member for Mississauga North (Mr. Jones) and the member for Sarnia (Mr. Brandt). They could not accept even the interim report recommendation that Ontario should immediately increase Gains programs to bring relief to elderly single women to give them an adequate income level for the basic necessities of life, a need that stood out above all other problems we faced.

These three members wanted us to reach an agreement with the federal government before we acted. I suggest the position was akin to a refusal to put a ladder up to a second- or third-storey window of a blazing house to save the women and children because the ladder was jointly owned by the region and the province and the region wanted first to find out if the province had paid its share of the cost of renting the ladder. Mercifully the Liberal members of the committee as well as some of the Conservatives could not quite stomach that dissent.

Why does a note of bitterness or anger show in some of my remarks? Let me try to explain as best I can. We have a stigma that I think shames us all here in Ontario. That stigma is the inability to translate the wealth and resources of the richest province in the land into an adequate level of income for those who have helped us to produce the wealth and who are now retiring or are retired and are no longer a part of the work force.

Fully 53 per cent of retired citizens in Ontario depend on assistance or welfare. Our pensioners, particularly single women, share a higher than average portion of the poverty burden in Ontario. In 1979 there were 208,000 senior citizens in Ontario living in poverty, more than 25 per cent of the total population in the country over the age of 65. Surely this highlights the urgency of the situation.

The Ontario Economic Council report on health care costs for the elderly in Ontario, 1976 to 2026, has some telling excerpts in the chapters dealing with the demographics of the elderly in Ontario. The main points are that at present Ontario has a population of 750,000 elderly who are 65 or over, or 8.9 per cent of the population. But that elderly population is escalating rapidly. It was only 8.4 per cent in 1971. At the present time 41 per cent of Ontario's elderly are male and 59 are female, which again underlines the increased plight of women and the fact they bear more of the burden of an inadequate income as pensioners.

The projections should scare all of us. By 1986, a little better than four years down the road, there will be more than one million elderly in Ontario, more than one in 10 of the population. By 2001 there will be well over one million. The proportion will have increased to more than 12 per cent of the population. In 39 years' time, by 2026, there will be more than two million elderly and they will constitute 18 per cent of the population of Ontario.

If that in itself is not enough I would suggest



that some of the members of the House take a look at their own areas. I guess those from Peel can be smug; in 1976, the elderly over 65 constituted only four per cent of the population there. But somebody from Haliburton should take a good look at the situation because in 1976 it had already reached 15.6 per cent—four times as many over 65. Many of them show an interesting picture.

I urge all members of this House to recognize we are looking at more than 10 per cent of Ontario's population, more than one million people as pensioners in another four years. That will be before some members of this committee would have us take another look at the adequacy of pension benefits and, if it looks bad enough, crank up the system again. We are only 39 years from having 18 per cent of Ontario's population, more than two million people, as pensioners and we already have a gross inadequacy in pension coverage.

Is there a single shred of evidence in anything in this report pertaining to the private pension industry being capable of meeting this challenge? There is not. There is clear evidence that an improvement in public pension plans can meet the challenge. Further, to meet such a challenge will be expensive. It will cost us all more as a percentage of earnings needed to pay for security upon retirement.

Another thing that angered me in the committee was that cost was used as a scare tactic over and over again by some of the groups that appeared before the committee and by members of the other two parties. But while it was repeatedly used as a scare tactic, those advocating improvements in public pension plans always clearly enunciated up front that what we are asking for would cost more. I give credit to the Ontario Federation of Labour which came out with one of the highest percentages of what it might eventually cost. Most other citizens' groups, social service groups and union groups did the same thing.

Those who used the scare tactics usually referred to the total percentage needed. Rarely, until we pressed them in committee, were they honest enough to point out that we were talking about that kind of an increase over a period of years and that there were some variables that could help to lower slightly the costs of the increase. Nevertheless, that was the kind of approach we faced.

It is also pertinent to the entire argument to point out the total inadequacy of the private pension industry in initiating the most obvious

reforms in current plans and coverage, let alone tackling, in the most minute way, the adequacy and portability of pensions on any universal basis.

I asked the question more than once: "Why haven't you moved? Everybody agrees—the groups before us, the industry itself and the financial interests—that there should be earlier vesting and they need more portability." All kinds of things that were causing problems were agreed to even by the industry itself, but they had not been able to move even to initiate the barest reforms within their own industry. They told us, "We argue against it all the rest of the time, but we need some kind of pressure or intervention by government to do it."

Even there, we are talking about reforms that really are rather small in terms of the current private pension coverage in industry and have nothing to do with this broader need for coverage for people in Ontario.

We do not have any legislation yet. We have almost unanimous agreement, even from the insurance industry, that at least the modest changes in the private plans are long overdue. These changes, if they happen, may result from the pressure of public opinion, or maybe public disgust might be a better word. The clear threat of government intervention was required to get the ball rolling to make recommendations. God knows what we are really going to see in the way of legislation from this Tory party.

Is anyone simple enough to believe the quantum leap forward for the minimum improvements necessary in pensions can be achieved by the private industry with its record to date and what we have seen of its future planning? My anger is justified but, more germane to the problem, surely the people of Ontario need and deserve more from this select committee than the apologetic cop-out it presents in terms of the real pension needs of Ontario. Surely the case for improvements in the public pension system is both overwhelming and long overdue.

9:30 p.m.

I have to ask the members of this House as well as the members of the committee who served with me, when will simple economic justice for people become important to the politicians in Ontario and outweigh the voice of the business and financial institutions when people's lives and future income are at stake? That is the question we are failing to answer in the cop-out we have delivered in this report.

**Mr. Jones:** Mr. Speaker, I do not propose to



review at the same length as the two previous speakers did. I believe the member for Huron-Middlesex outlined rather accurately the work of the select committee on pensions that culminated in this final report. I sense that the member for Hamilton East—I do not so much sense it as hear it reverberating in my ears—is echoing much of what we rather expected he would be echoing here again in this debate, as he did so often in the committee.

Before beginning my brief remarks I would like to add, as others did before me, my appreciation of the excellent Wells Bentley, who was an adviser to all of us on the committee. He is a superb man who gave unstintingly of his immense knowledge of this very complex subject. We had Graham White as clerk, and Dr. Jim O'Mara, and Richard Jennings before him, both in research capacities. It was touched upon by one of the previous speakers that civil servants also aided us in the process and, in fact, are going forward with this pension review and its implementation by taking and working, in turn, with the recommendations in the report. David Stouffer is one of the names that comes to mind. He came to the committee on many occasions and helped and guided us considerably. John Ilkiw was with us many a time, and continues in that work, as does Sherry Malloy who was with us on occasion.

I would like to say at the outset, as has been mentioned by some other speakers on this and at the time of the introduction of the interim report, that I enjoyed the experience of the pensions committee. I enjoyed the work with members of all parties. Basic to the work of that committee was the fact that we sensed here in Ontario that we have very much of a central participation and a big stake in pension reform.

I believe the member for Huron-Middlesex mentioned that it was in 1963 the Pension Benefits Act came in. That might be—I have 1965 in my mind—but in any event Ontario has been a pioneer in the regulating of employment pension plans. Today, we have some 40 per cent of all pension plan participants resident right here in Ontario. Fully 50 per cent of all Canada pension plan contributors live in Ontario, and 32 per cent of Canada's retired live here.

So Ontario has a responsibility. This government, contrary to the remarks of the New Democratic Party speaker, has a high sense of responsibility about senior citizens, especially, as was pointed out in this report, as to the immediate need, as identified, of the single elderly. So I will, in a moment, take issue with

this claim that members of the Conservative government, which has served the seniors of this province so very well and continues to do so and will do so in the future, are somehow the only ones lacking social conscience; that only the NDP comes equipped with that.

**Mr. McClellan:** Tell us why.

**Mr. Jones:** I will come to that in a moment. As backdrop, Ontario knows its responsibility. It has a responsibility, as you know, Mr. Speaker, to lead the debate on the reform in the interprovincial negotiations that are taking place under the able leadership of the Treasurer; and of course in the federal-provincial discussions yet another important step will take place next Tuesday at a conference in Ottawa. This government recognizes both the individual and the social needs that are touched upon in this massive, important subject of pensions, particularly pension reforms, as we address ourselves to that tonight.

The member for Hamilton East tended to dwell on one section, as he has on other occasions: CPP forever, CPP the only way to go. He tends to do a very large disservice when he talks about being angered and he talks about the stigma and the disservice this committee did. That just is not fair to the members of that committee or the ongoing work in that reform, the role of this government in its work with the other provinces and with the federal government.

What he tends to forget is that this report clearly reflected the basic concept that we recognize an immediate need of our single elderly. We have a rather complex mixture of retirement income vehicles. We have old age security, we have guaranteed income supplement, we have Canada pension plan, we have employment plans—

**Mr. McClellan:** But you dissented.

**Mr. Jones:** About one issue. We have deferred profit sharing plans, and we have individual registered retirement savings plans; we have group RRSPs, personal savings, and real assets. We have many different vehicles that people use by choice in this province to provide for their senior years and they make conscious decisions about how they are going to do that rather than relying totally on a Procrustean, single universal program which seems to be the single major difference, as I understood my friend the member for Hamilton East in his comments a moment ago, between the mem-



bers of that party and the government and the Liberal Party.

What was said in this report of the select committee was that the single seniors should be guaranteed 60 per cent of a couple's guarantee. We talked also about the responsibility of the federal government, and it was acknowledged by the federal government. Mr. MacEachen on the eve of the pension conference identified it as a major priority. So we were quite appropriate when we said the two governments should do their appropriate things to deal with the need of the single elderly.

The only difference between those of us the member tries to make out to be hard-hearted villains and the member for Bellwoods (Mr. McClellan), is that his people, as in so many of their proposals, tend to chuck out the window and make fun of anything to do with cost factors having to be considered, any of that responsibility that the government has to have in mind. They ignore somehow or other the progress the government is making to bring about those needs—

**Mr. McClellan:** You are saying we should pay the cost—

**Mr. Jones:** No, that is not so. The member pretended that cost factor was the only issue. His colleague just said it. He used it as a scare tactic. This is what he said over and over again in the committee. That simply was not so. We were prepared to recognize the increased cost that would be needed in this pension reform.

The member for Hamilton East made a great to-do about us rejecting CPP. That is not so either. The record should be corrected, as it must. We said basically there were three major highlights. The single elderly was one to be sure; the improvement of the employment pension plans, the private sector plans; and the private sector and others acknowledged where those improvements could be made.

We had representations from boards of trade. There was one, for example, from the Ottawa-Carleton board, the members' retirement plan, where they are bringing about that reform. They are bringing plans in for some of those people who did not have them in the past. We called upon, we urged, and I suppose we said, "Industry, respond to those needs."

**9:40 p.m.**

We also suggested some major changes which will be expensive for employer and employee alike; such things as earlier vesting, which was talked about in the debate earlier. Let us not kid

ourselves, these things will take time in their implementation even though we urged that they should be got on with immediately. Such things as excess interest, which our colleague from Huron-Middlesex mentioned as an option to indexing, will also be expensive to implement. Some of those calls for major reform in the private sector involve things that will improve pensions dramatically.

I should add that there is a third step if the changes we have recommended in the private sector do not work in the reform that is needed. That would be the time to go back to look at something such as the massive expansion of the Canada pension plan that our colleagues of the New Democratic Party have as their battle cry.

As I listen to the NDP talk about raising the CPP benefits and the contribution rates, there is a lot of talk about the willingness, but not too much about the ability, of certain sectors to handle that. They forget to consider that this means more savings would bypass the competitive capital market and flow directly into the government sector. I would not say they forget it; they know it full well. That is their stated intention and that is the way they want it; all things flowing into the control of government and the quicker we can do it the better.

It simply is not true to say that we set up some kind of smokescreen about CPP. Our comments are recorded in the report. We called for reform in the private sector. We also called for changes in the universal plan, but with the caution not to take that approach until we saw if the other suggestions worked. We talked at great length about the horrendous cost of the proposals the people opposite made as they proposed a shift to CPP alone.

They know full well their proposal means that the CPP would become a mechanism for the redistribution of funds rather than an employment based program. We can understand their philosophy there. The problem I have with it is when they allude, as they did again in tonight's debate, to the number of people who supported that.

They referred to representatives of the labour movement who appeared before the committee, but they forgot completely about small businessmen. It is only when election time comes and when it suits them, that they pretend to be their friends. They did not talk about what their thoughts are about the impact a contribution of, for example, 20 per cent would have on small business.



**Mr. McClellan:** Aren't the employees of small business entitled to a pension?

**Mr. Jones:** Indeed they are. That is what we are calling on the private sector for and, indeed, demanding of it: that it implement a plan such as this one that I am holding up, which the private sector explained to us.

What we are talking about is the level of affordability and that is what my friend from Hamilton East takes offence at. He does not think the cost factor should be considered. They have one philosophical bent in that party and that is that their dogma shall prevail.

As I think back to the work of the committee and join with others in complimenting the chairman for a superb job of helping us with this subject, I look forward to seeing the implementation of these recommendations.

I know part of it was the heat of the debate but I am sorry the member for Hamilton East talked of acts of treachery and cop-out and shame of the committee. That really is not fair to the work, the proposals and the 163 recommendations which covered public plans and private plans and mentioned the complexities of the whole pension reform discussion as it touches the economic life of this province and this country at what is probably one of its most fragile times ever.

It touches upon one of the admittedly most socially sensitive groups of our society; the one group, as with our young people, on which we are judged as a society in terms of how we serve it. I understand the debate and the philosophical pounding of that one thing, that CPP is the only answer to pensions. But I ask the member to think with us, as some of us learned when we went to some of the conferences in addition to the work of the committee—they were running parallel to the work of the committee—where they said: "Canada is a young nation. There are lessons to be learned; look to the European experience where they have aged some 15 years or are a little ahead of us. See what their experience has been in France and Germany."

We did the reading and we had evidence of their experience. It was not to rush holus-bolus and totally into only a government universal plan. That is not true of France, for example, or Germany. They did not do that. They have a mixture with a very high component of private sector.

**Mr. McClellan:** You do not know what you are talking about.

**Mr. Jones:** That is not so at all. If the member

had been to the conference, as some of the Liberal members were, for example, at the Skyline, he would have heard that outlined by speaker after speaker and they would have shared some of the booklets with him too. He continues to have that one-track line. Do not ask us to pretend that somehow or other we are not going to answer this nonsense he put out about acts of treachery and all of that. That just simply is not so.

Rather, the work of this committee has been heralded by many different sectors, by people who had input to the report, people who are experts in the field, people who have a responsibility for that reform. They have said the work of that committee is important and will play a very key role in the reform we have been talking about tonight, and one that is an urgent priority of this government and indeed of the other provinces.

I could take step by step some of the specific issues that we had debate on and go back and open up the one the member for Bellwoods has been alluding to in his interjections, which is the fact that three of the members did dissent. That is true, but let the record be true. We were not voting, as I am sure he would like to show, against the senior citizens having an increase; quite the contrary. We voted for that particular recommendation. It was the one that said do it and never mind the feds and them accepting their appropriate part of that; that was the point. We did so in the context of knowing that the federal-provincial discussion was going forward.

As the member well knows, there is a green paper and a white paper coming forward on this and reform is well under way, not something miles down the road. I am grateful that this committee did go forward and work with dispatch.

I thank again the people who worked in so many different ways on the select committee. I thank my colleagues on the committee for the experience I shared with them. I look forward in the near future to rather considerable pension reform. I know we can all share in having had a part in forwarding those recommendations out of the Haley report into the hands of government, where they can go forward.

**9:50 p.m.**

**Mr. Mackenzie:** Do you think you are going to survive when we take over?

**Mr. Jones:** Those fellows are confident, I have to tell them.



**Mr. McClellan:** We'll see what happens next Thursday.

**Mr. Jones:** Okay, we will.

**Mr. McClellan:** I'll bet nothing happens next Thursday.

**Mr. Mackenzie:** See how many of those reforms are in the budget next Thursday.

**Mr. Jones:** Sure; you bet. Mr. Speaker, I thank you for the opportunity to be able to speak. I am grateful for that, and I look forward to the comments of other members of the committee who served so ably.

**Mr. Van Horne:** Mr. Speaker, it is a pleasure for me to be able to join in the debate on this report—as much of a pleasure as it was to be part of this committee.

Along with the member for Erie (Mr. Haggerty), I became part of this committee part way through its work. My leader, the member for London Centre (Mr. Peterson), and the gentleman sitting directly behind me, the member for Waterloo North (Mr. Epp), were original members of this committee. As it finished the first leg of its work and presented its interim report last December in this Legislature, some changes had to be made. The committee assignments were changed and it was my pleasure to fill in.

It was no mean task reading through the documents that had been presented to the committee last summer and all the elements that went into the royal commission report the committee was studying. I had to carry two cartons of materials with me to and from the committee and struggle beyond that through the late hours of the evening and the early hours of the morning to try to read and understand all that had gone on before me.

**Mr. Eakins:** You should be a cabinet minister and get somebody to do it for you.

**Mr. Van Horne:** I look forward to that too.

The only other comment I will make in that regard is that the staff and the chairman, along with the members of all three parties who made up the committee, were very kind and understanding in assisting me with some background material that was missing from the written material. Everyone pitched in to help, and I want to thank the chairman, the staff and the other members of the committee for their indulgence and assistance.

My colleague the member for Huron-Middlesex (Mr. Riddell) has said many of the things I wanted to say in so far as this report is concerned. It is fair to say he has spoken words that reflect the attitude of our party and certainly of

our leader in this very serious concern we all have for pensions.

We all agree, in simple terms, that the objective of the governments of Ontario and Canada in pension reform has to be to find the best way of fulfilling both the concrete financial needs and the reasonable income replacement expectations of Canadians in retirement. All of us who have been involved in this debate have come to realize that this goal can only be accomplished if certain challenges are met.

The challenges generally accepted by both provincial and federal levels of government are as follows:

First, we must ensure all workers in the labour force have access to adequate pension protection. At present, only slightly more than half of the full-time and part-time labour force has access to protection under a private plan.

Second, workers must be able to change jobs without fear of losing pension rights from a plan to which they have contributed. Job mobility is a fact of life in today's labour force, and pension plans must respond to that reality.

Third, the real value of pension benefits must be protected against inflation. A pension, in and of itself, is scant comfort if its purchasing power has been eroded 10 or 20 years down the retirement road.

Meeting these crucial challenges will go a long way to ensuring that all members of the labour force, both men and women, will be able to look forward to retirement without fear of poverty. However, reform on these fronts alone will not resolve the particular pension problems facing women. That brings me to the fourth challenge we must meet.

Not only must women be assured greater pension protection in the event of divorce or the death of their husband, but they must be assured also of greater access to pension protection in their own right. This applies to women working in the home as well as to those in the paid labour force.

As has been referred to in both general and specific terms by all preceding speakers, our committee's hearings were done rather expeditiously and seriously. It is interesting to note that our committee hearings were concluded during the winter break of this year, before the Legislature reconvened for this year's current session. Yet, after all of this study, the session opened with a throne speech that was very unique in that it was one of the few in the past six or seven years that did not even mention the subject of pensions. In fact, what was most noticeable to a



lot of us about this throne speech was the absence of any governmental notice of intention in the field of pensions. I guess we had to assume or read between the lines that they thought this committee of itself was doing all that had to be done.

Before addressing some of the committee's specific recommendations, let me comment briefly on the reasons we are so badly in need of vital reforms in this area. Again, many of these comments have been alluded to by previous speakers, but I think they bear repeating.

Governments have not been able to include all of their residents in legislation. That is one of the keys of the concern. We have already heard that as a result of this inability, only about 40 or 41 per cent of the total work force is covered by employer-sponsored plans. About 98 per cent of the work force outside the home participates in the Canada pension plan or the Quebec pension plan, but for those working in the home, who are usually women, CPP coverage is just not available.

Portability is another major concern in the private sector. Generally, there is a provision for portability among public sector plans, and a plan has been put into effect by the Canadian Life and Health Insurance Association for life insurance companies. But the difficulty in establishing full portability in the private sector arises from the many differences in pension plan designs. Lack of portability is not only a deterrent to the much-needed mobility of labour; it is also grossly unfair.

Vesting and portability provisions should be addressed simultaneously. Under current Ontario legislation, full vesting is required only after age 45 plus 10 years of service. The Haley commission, our select committee and now even the Treasurer have come out in favour of vesting and locking in after five years of service. With Canada's highly mobile work force, this is most appropriate.

As an aside, members will note that I am using the words "Canada's work force," not simply and solely Ontario's. Again, it bears repeating that our work force is mobile not only within Ontario but also within the boundaries of Canada.

Inflation has added another dimension to the problem of protecting incomes of the elderly. In 1978, 39 per cent of the elderly lived with incomes below the poverty line. The cost of indexing is high and represents an open-ended and expensive commitment. Wise investment of pension funds into well-diversified portfolios

would best protect the purchasing power of pension benefits while at the same time helping to stimulate the economy.

Vital pension reforms are needed for the surviving spouse. In 1976, of all participants in private sector plans, two thirds were in plans that provided no widow's pension. The current pension system also discriminates against females because they earn less, and CPP and private pension plans are based on earnings.

**10 p.m.**

Whatever decisions are made on future changes to Canada's pension system, our main concern is that any substantial alterations in the retirement income system will create huge new funds of money. Such funds pose some potential difficulties, because they could drain off money that otherwise would go to finance investment in the private sector.

Our calculations indicate that, as of March 31, 1982, the Ontario government had an outstanding debt to the various pension funds of \$18.9 billion, of which \$9.9 billion was owed to the CPP. The pursuit of such a historical policy raises the question of repayment and the responsibility of government when such large amounts of money are available. The issue is important not only for the state of Canada's capital markets but also for the wellbeing of Canadian society in the future.

At this point, I will stop and point out that this theme, which is one of grave concern to all our caucus, was a theme that was expounded on, I think rather eloquently, by the committee member I replaced. I am referring to my leader, the member for London Centre (Mr. Peterson). I know his comments and his views at times were held up to ridicule by members opposite, because they felt, and I think in all their sincerity this was a proper view, that the government was meeting its obligations to repayment.

What was lost sight of from time to time as we did digress—and I submit that in the course of the committee hearings there was not much of this, but we did on occasion get a little bit off the track—was the theme my leader had, and still has, that if we are going to borrow, somewhere along the way repayment has to be made, not just in part, but in total. The argument from the other side, again made in all sincerity, is one that could be argued for a very long time. The point is that there is a little bit of right on both sides and a little bit of concern for whoever studies pensions in the future.

By the way, as a secondary digression, I have to point out that simply because we are report-



ing and discussing the report tonight, that does not mean the pensions issue has been resolved. Rather, this is just the beginning of resolving it. So the right that members opposite feel they have in their argument has to be lined up against what we feel is the right in our argument. I offer that to those people who will be considering pension reform and what action has to be taken over the next few months or the next few years.

We feel the committee has dealt within the provincial jurisdiction with the immediate problem of the currently retired, particularly single retired persons. We recommended that the Ontario guaranteed annual income system for the single elderly should be increased to 60 per cent of the income of an elderly couple. This would bring the monthly income of such persons up to \$550 a month, based on the total of Gains, old age security and guaranteed income supplement payments, from \$493.

Probably the most controversial recommendation the committee had to deal with was the one involving a mandatory retirement scheme referred to by the royal commission as the provincial universal retirement system.

The committee was well aware of the advantages of a scheme such as PURS in overcoming the difficulties associated with portability, vesting, locking in and, probably most important, expanded coverage. However, the committee also saw many disadvantages to PURS, including the time it would take to mature, 47 years; the increased cost to small business; the effect of PURS on existing pension plans; the additional savings that would be required for some people whose current income would not be adequate enough to support such savings; and that it could discourage interprovincial labour mobility if this plan were implemented only in Ontario.

I think it is fair to say that I expressed a minority view during the course of the debate on this particular theme. I did not put this in as a point in the report to which I wanted to draw any attention, but I did make the point in committee and I want to repeat it here. It disappointed me that the committee did not decide to recommend an ongoing review or a pursuit of the PURS theme, although it may well come back for study at some time in the future. It struck me that the committee had an opportunity, as it was making its recommendations, to speak out a little more firmly on examining the PURS theme.

There was one final disadvantage of PURS, and that was that it would duplicate many of the

features of the existing Canada pension plan and therefore would simply add another level of bureaucracy to the whole pension provision theme.

In addition to these criticisms, the committee was given evidence of portability features being introduced by the life insurance companies for their private pension plans, and the concept appeared to be a workable one. The committee therefore decided to allow the existing employment pension system the opportunity to absorb the reforms proposed in the report to provide better coverage and better pensions. Only if the private sector failed to do this would such a scheme as PURS be reconsidered.

At this point, I think it is worth noting that there was some discussion about retirement age. Some of us on the committee were able to draw upon the debate that was held in the Legislature a few years ago on a private member's bill that was brought to us by the member for York West (Mr. Leluk), the present Minister of Correctional Services. The determination at that time was that perhaps there was merit in suggesting that age 65, of itself, did not necessarily dictate that one should retire.

In speaking to that particular theme and adding a little bit of additional fuel to the whole fire of pension debate, one has to weigh what feelings the New Democrats have had on this theme—certainly they spoke out against it—but I have to remind the members that there are many people in our society who, if they were forced to retire at age 65, might not be able to survive.

Going back to that earlier debate, I was able to draw on a quote from an article in a May 1979 issue of the *Financial Post*, headed, "Surprisingly, There is No Law Stating that Workers must Retire at Age 65." In this report, a worker at the Boeing Canada plant was quoted as saying: "When I am 65, I may not be able to retire. If inflation keeps eroding my insurance and pension, then I will have to carry on working. What I really want at age 65 is to have that choice."

I am not sure the committee really came to grips with that theme. I think we were inclined to say that it was dealt with in this Legislature earlier, there were obvious differing views and therefore we should not comment on it too much more. But I submit that when pension reform is reviewed and discussed further, retirement age is one item that will have to be reconsidered.

I see the member for Wentworth (Mr. Dean) is the acting speaker. Does he want to get



hooked up? While he gets hooked up I'll have a little sip of water.

**Mr. Bradley:** The next thing you know, we'll have René as Speaker.

**Mr. Piché:** I'm in line waiting.

**Mr. Bradley:** He also serves who only stands and waits.

**10:10 p.m.**

**Mr. Van Horne:** And waits and waits and waits. Let me finish off Mr. Speaker, and give the member for Bellwoods (Mr. McClellan) an opportunity to say a few words. I know he is anxious to get a few words in here.

I think it has been noted by many people that this whole theme of pension reform has been slow in coming along. I would like to make reference to an article by Leonard Shifrin, a gentleman whose name I brought up in committee on more than one occasion because he has an ongoing interest in this whole theme of pension reform. He is one of the more informed people in Canada on pension reform. He makes this observation:

"Government making haste slowly in moving toward pension reform. The chairman of the federal government's pension committee has gone fishing. After last year's National Pensions Conference, Ottawa promised a green paper on pension reform. An interdepartmental committee representing the departments of welfare, finance and social development was set up under the cabinet's federal-provincial relations secretary, Michael Kirby, and a target date of last October was announced for release of that paper." That was October, 1981.

"October as you may have noticed, has come and gone and so has December, which came next as a promised release date. The current word when this article was written was February. But it is a safer bet that it will not happen until perhaps May or June." I would point out we are still waiting. That is the federal committee.

Another article by Diane Francis of the Toronto Star, on February 14, 1982, starts off in this fashion: "To many people on the short side of 65 the issue of pension reform is about as exciting as watching fingernails grow, but that certainly shouldn't be the case. Besides being an issue that will reflect the lifestyle of us all in our golden years, pension reform is destined to become the next major federal-provincial controversy. It is a political poker game with

exceedingly high stakes and one in which we are all players."

**Mr. Bradley:** And an opportunity to bash.

**Mr. Van Horne:** I do not think I can stress too strongly the importance of this issue. The press has referred to it. Earlier speakers in this chamber have referred to it, but I would hazard a guess that if one picks up the paper tomorrow, or Saturday for that matter, there will be hardly a word about the debate this evening. That is a shame. Here we have potentially one of the biggest issues that will face us and will face the federal government and will face the other Legislatures across Canada, one of the biggest issues we will see in the decade of the 1980s, and it is getting precious little attention.

For the handful of people who are in the gallery I am delighted they are here to pick up a few words about this very important theme. I only wish that each one of them, along with members present in the House, could go out and scream from the rooftops: "Listen people, this is a big issue."

In conclusion, I would suggest that we are going to have to see a lot of co-operation between ourselves and the federal government. As my colleague the member for St. Catharines said a few moments ago, it could well provide the opportunity for a lot of fed-bashing. If that is the attitude that comes out of this chamber I would submit we are not going to do a service to the people in Ontario, or for that matter to anyone in Canada.

I would conclude by saying I sincerely hope this debate on pensions continues in the truest sense of co-operation and working together for the betterment of all Canadians.

**Mr. McClellan:** Mr. Speaker, I wish to say a few words in the debate that is taking place this evening. I want to start as all of my colleagues have by expressing my personal appreciation for the work of the chairman, the member for Prince Edward-Lennox (Mr. J. A. Taylor), who ran a totally impartial and fair committee. Those of us who are in a minority position, expressing a minority viewpoint both in the committee and in the House, appreciate that enormously. I sincerely want to thank him for the impartial way in which he chaired the work of this select committee.

**Mr. Bradley:** After being mugged in the hallways of power.

**Mr. McClellan:** After being bumped in the corridors of power.

**Mr. J. A. Taylor:** You better get that straight. It was not the corridors of power; it was the back alleys of bureaucracy.

Interjections.

**Mr. McClellan:** It was in the back alleys of bureaucracy; that is right. I also want to give special thanks to Mr. O'Mara and to Wells Bentley for the first-class work they did as resource people for the committee.

The member for Mississauga North (Mr. Jones) has forced me to add an additional page to my speech. We in the New Democratic Party are not sounding one note. I simply must remind the member the issues of vesting, portability and locking in are all issues my colleague from Hamilton East (Mr. Mackenzie) has been raising in this Legislature since 1975 when he was elected.

He has put resolution after resolution on the Order Paper, and private bill after private bill, in the course of the past seven years. Many of the major reforms in the interim report of the select committee are identical to resolutions and bills the member for Hamilton East has been putting forward in this House since 1975.

**Mr. Jones:** To his credit to be sure, but tonight he was saying the CPP was the only thing.

**Mr. McClellan:** We will be coming to that too.

I point out that the proposal with respect to raising the Gains single rates above the poverty line to a level of 60 per cent of the married rate was a proposal I raised initially. It was passed on the motion of the member for Brantford (Mr. Gillies).

It is really regrettable that three members of the governing party found it necessary to dissent from a recommendation that called upon the government of Ontario not to permit tens of thousands of senior citizens to stay in a condition below the poverty line.

They found it necessary to add the hedging condition that this problem will not be addressed unless and until there is some kind of dialogue, liaison or some blah, blah, blah between the federal and provincial governments. I have to remind the members who put their names to that dissent that there are approximately 208,000 senior citizens in Ontario according to Statistics Canada who live below the poverty line.

**Hon. Mr. Ashe:** Hogwash.

**Mr. McClellan:** For the benefit of the Minister of Revenue (Mr. Ashe) who does not seem to understand, there are 208,000 senior citizens according to the report of Statistics Canada of

November 1981 who are living below the Statistics Canada poverty line.

**Hon. Mr. Ashe:** Not in Ontario.

**Mr. Mackenzie:** That is in Ontario, exactly.

**Hon. Mr. Ashe:** Inaccurate.

**Mr. McClellan:** The minister can take up his cause with Statistics Canada. I am simply telling him what it reported in November 1981. Yet the members of the governing party, who had the evidence of the royal commission itself dealing with the injustice dealt out to Gains singles in Ontario, found it necessary to hedge and compromise. The regrettable thing is it blunted the recommendation of the select committee. We could have had a recommendation to this government, a consensus recommendation, a unanimous recommendation, on which the government could take action.

**Mr. Brandt:** What would it cost?

**Mr. McClellan:** I point out to the member for Sarnia that it would cost about \$110 million, which is one sixth of the cost of the Suncor deal. It would cost about 10 government jets.

**10:20 p.m.**

Let us not forget what we are talking about. We are talking about bringing single senior citizens in Ontario above the poverty line. If that is too expensive for the government of Ontario, well that is too bad for them. It is their shame and their disgrace.

In a week from today, we will see how much senior citizens are worth in the view of this government. We will see whether the Treasurer will raise the guaranteed annual income system rates to bring single senior citizens above the poverty line in Ontario or whether he intends to argue that it is too costly, too much for our society to afford to bring senior citizens above the poverty line. Let us wait one week and see where this government's heart is and where its priorities are.

It is difficult to deal with the issue I wish to in 10 minutes, but I will try. It was ignored by the majority of the select committee, but my colleague the member for Hamilton East (Mr. Mackenzie) tried to deal with it in his remarks. It is the issue that was identified by the royal commission itself as the central issue: coverage.

The reforms with respect to vesting, portability, etc., which my colleague and I supported, have to do with those who are lucky enough already to be covered by employer-sponsored, private sector pensions. So the principal recommendation in the select committee report



deals with a privileged minority which already has private sector pensions. The reforms are significant for that minority, because the reforms will make some sense and bring some rationality to employer-sponsored, private sector pension plans. But the recommendations of the majority of the members of the committee do absolutely nothing for those who are not already covered by private sector pension plans.

We should remind ourselves that only 39.1 per cent of Ontario's private sector workers are enrolled in private pension plans, according to the findings of the royal commission itself. I am reading that from volume 8 of the royal commission, pages 96 to 120, where the royal commission detailed its finding that 60 per cent of the workers in the private sector do not have any kind of pension coverage. Despite that, all the reforms of the majority report deal with improvements to plans which do not cover the majority of the work force in the private sector. Well, thank you very much. What about the other 60 per cent?

The figures are further skewed by the discrimination in pension coverage between men and women. Only 22 per cent of women workers in the private sector of our economy are enrolled in any kind of pension plan. All the reforms in the report are limited to the privileged few who are lucky enough to be in jobs where there is a company-sponsored plan. What about everybody else? What about the critical problem the royal commission itself identified; that is, the lack of coverage?

In the majority report there is nothing for people who are not already covered by private plans. It is this critical issue of coverage that led the royal commission to come up with a proposal for a universal, mandatory, legislated pension plan. That is why it came up with the PURS proposal in the first place, because the commissioners realized the lack of coverage of our work force in any kind of a pension plan was the critical issue. It is the reason why 53 per cent of retired Canadians in this country are living on welfare programs. Fifty-three per cent of retired Canadians are dependent on income-tested programs to prevent them from starving to death, because they do not have any pension coverage. Yet the majority report ignores this reality completely.

It is the issue of coverage that has led the New Democratic Party to say, I think as loudly and clearly as we can, that if we want to have a pension plan in this country and in this province that covers everybody, the only route to go is a

universal mandatory program so that the only choice is whether the universal plan is in the public sector or in the private sector—

**Mr. Jones:** No choice is what you are saying.

**Mr. McClellan:** The choice is between not having any money when you are over 65 or having a decent pension. It is not a question of wishing.

**Mr. Jones:** We spoke to the small firms. We spoke to the part-time workers.

**Mr. McClellan:** Of course. The member spoke to the small businessman who said: "Look, I am a small businessman. I am running a business close to the line. I can't bring in a pension plan. What about my competitors? Will the guy I am competing with bring in a pension plan? If I bring in a pension plan for my employees, can you guarantee to me that my competitors will bring in a pension plan?"

Of course you cannot. He is immediately at a competitive disadvantage. He cannot bring in a pension plan for his employees. What the member is saying is, "Too bad for people who work for a small businessman because they are locked out of the pension market." They are going to be kept out of the pension market in perpetuity. That is the issue.

**Mr. Jones:** We heard how the plans are coming in for those small employees more and more.

**Mr. Mackenzie:** You know better than that, Terry.

**Mr. Ruston:** Go on home, Terry. It's late for you.

**Mr. McClellan:** I know my colleagues in the Liberal Party do not believe all this.

**An hon. member:** They're listening.

**Mr. McClellan:** They may be listening, but in committee they expressed ambiguity about these issues and they took the same view as the members of the governing party on the issue of coverage.

**Mr. Riddell:** It is just that we have more faith in the private sector.

**Mr. Ruston:** You fellows want to buy up all the private sector.

**Mr. Mackenzie:** That's why only 40 per cent of the people are covered.

**Mr. Riddell:** You cannot even head for Saskatchewan now because the NDP got knocked out of there.

**Mr. McClellan:** Manitoba, Mr. Speaker, is closer than Saskatchewan. I seem to be suffer-

ing my usual fate of being shouted down. I don't know why that is.

**The Deputy Speaker:** You are so provocative.

**Mr. McClellan:** I am not being provocative at all. I am simply trying to raise the issue.

I will say, before I adjourn the debate, that by ignoring the issue of coverage the majority report has ignored completely those who are now excluded from any kind of participation in private sector pension plans. They are saying that exclusion will continue in perpetuity; that they will reform and improve pension plans for

those who are lucky enough and privileged enough to be working in the right place at the right time, in a company which sponsors a private pension plan. But those who work in small businesses, those who are in low-paying jobs, those who are marginally employed, those who do not have the opportunity, will be forever excluded.

On motion by Mr. McClellan, the debate was adjourned.

The House adjourned at 10:30 p.m.



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Ontario

LEGISLATIVE ASSEMBLY

No. 44

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Friday, May 7, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Friday, May 7, 1982

The House met at 10 a.m.

Prayers.

## MULTIPLE SCLEROSIS SOCIETY OF CANADA

**Mr. Nixon:** Mr. Speaker, honourable members will be glad to know that outside the doors of the Legislature there are representatives of the Multiple Sclerosis Society of Canada selling flowers; red for valour and courage; white for virginity or, in some instances, lack of experience; yellow for timidity and unwillingness to carry on in positions of high office; and nothing for cheapskates.

**Mr. Speaker:** Thank you for making all members aware of this.

## VISITORS

**Mr. Speaker:** I would ask all members of the Legislature to join with me in welcoming and recognizing in the Speaker's gallery a delegation of young politicians from Norway, visiting Toronto as guests of the Toronto chapter of the Canadian Association of Young Political Leaders. We have had a very enjoyable breakfast with these young people and they are looking forward to a very exciting weekend in Ontario.

## ORAL QUESTIONS

### AFFIRMATIVE ACTION IN TEACHING

**Mr. Nixon:** Mr. Speaker, this is obviously not payday because the cabinet did not bother coming in. However, Old Reliable is here so I would like to direct a question to the Minister of Education, who has had the responsibility of her present office now for as long as three years—

**Hon. Miss Stephenson:** Close to four.

**Mr. Nixon:** Close to four, and is becoming considered a fixture in the education hierarchy. Can the minister explain why, over these four years, she has failed to provide the leadership that would have given women in the teaching profession an opportunity to move out of the lower echelons—the hewers of wood and drawers of water, if that comparison can be used—and move into positions as principals and directors of education? Does she feel the fact that she sits on the point of the pyramid is sufficient recognition

of her gender and that she can therefore leave her fellow workers in the field in the lower orders?

**Hon. Miss Stephenson:** Mr. Speaker, I am delighted to be called Old Reliable by the former leader of the official opposition and I do believe I may be becoming considered a fixture, but a fairly utilitarian and useful fixture within the educational system.

The honourable member is obviously acutely unaware of the fact that since last year, as a result of specific initiatives taken within the Ministry of Education, in those courses for those other positions that he is concerned about, particularly principalships, we have had an increase in the number of women. There has been a gradual increase in the number of women functioning as supervisory officers, but an inordinately small number of those who progressed to the role of principal.

Last year we opened the registration for the principal's course fully and freely so that any individual who feels qualified and is qualified to assume the role of principal may apply and may participate in that course. I am delighted to tell the member that as a result of that initiative the enrolment in the principal's course has gone to 35 per cent women from approximately five to seven per cent.

The other thing I am delighted to tell him, which simply proves the thesis I have been attempting to explain to all of those male members of the opposition parties for years, is that women are biologically, endocrinologically and psychologically not equal to men, but superior to men. The quality of the program and student participation in those courses has increased significantly as a result of that activity.

**Mr. Nixon:** Since the minister is apparently one of the few on that side of the House who recognizes the validity of the superiority of women, even though the Premier (Mr. Davis) has more or less selected the minister as token of that recognition, could she explain why her best efforts, in an occupation and profession where more than 50 per cent of the participants are women, have yielded only two women directors of the 116 directors in Ontario, 1.7 per cent; or why in the elementary system, with



3,712 principals, there are only 457 women, 12 per cent; and why at the secondary level, with 574 principals, there are only 16, or 2.8 per cent women?

These are the most recent figures available from the ministry. These are evidently as a result of her initiatives and what she calls throwing open the door. Would she not accept the criticism that her throwing open the door has let only a token number of women into the senior areas of administration in education and if she does not do better she had better move over and let a man try?

10:10 a.m.

**Hon. Miss Stephenson:** It is perfectly obvious that the parties in this House which have token female representation are the opposition parties, each with one, single woman on their benches. Unfortunately, they do not put their money where their mouths are.

As a former teacher, the member knows full well, and so does his seatmate, that the boards of education of this province have for many years controlled entrance to administration courses for the principal-supervisory officers. What we have done is remove that measure of local control which, I am afraid, traditionally was primarily male, but which now is happily becoming at least 50 per cent female at the board level. We have removed that kind of control and permitted the professional development of teachers in a direction—

**Mr. Nixon:** Why don't you trust women to do the job?

**Hon. Miss Stephenson:** We do trust women to do the job. We are providing the opportunity now for women to acquire those capabilities and that extra instruction. I am sure the results of this will blossom forth within the next two years and provide significant increases in the statistics the member reads.

**Ms. Bryden:** Mr. Speaker, is the minister aware that over 100 school boards in this province have no affirmative action program, and of the 175 affirmative action programs the Minister of Labour (Mr. Ramsay) tells us about, only a handful are in boards of education? It has taken seven years to produce that handful. What is she doing to encourage affirmative action programs in the schools?

**Hon. Miss Stephenson:** Mr. Speaker, the information I have is that almost half the school boards in this province do have affirmative action programs. We are continuing our role of

encouragement and support for boards to become involved in that kind of activity.

There is a specific activity within the ministry which provides stimulus and leadership in that area, which I think has been singularly successful in the education area in sensitizing boards and administrators to the capabilities of women and increasing their acceptance of the concept of affirmative action, based primarily on the merit of the individual in terms of appointments, something which must always be uppermost in anyone's mind in any activity that relates to education. Affirmative action is becoming an integral part of the educational system.

**Ms. Copps:** Mr. Speaker, recognizing that women may be the biological and endocrinological superiors of men, the minister should, however, take a lesson from her colleague the Minister of Labour, who just last week tabled a report which demonstrates clearly that in order for women to be paid on an equal basis with men and to get an equal shake in the work force we are going to have to get into legislated affirmative action.

Why is the minister not prepared to take this step in the educational field, a field that has been dominated by women for many years but where those same women have never made it to the ranks of senior management where the minister now so precipitously sits?

**Hon. Miss Stephenson:** Mr. Speaker, I am not sure I sit precipitously at all. That women are endocrinologically superior plus anatomically superior is evidenced, of course, by the vital statistics in any jurisdiction in the western world. I am not convinced that legislating affirmative action is the appropriate route to follow. Surely women who wish to move into those areas, given the opportunities to move, will do so. The honourable member does not really need to worry about equality of pay as far as teachers are concerned.

#### COMMUNITY COLLEGE FUNDING

**Mr. Nixon:** Mr. Speaker, I will return to the Minister of Education now that she is warmed up and she can assist us with some more information. Is the minister aware that in the next five years more than 166,000, or 25.7 per cent, of all new entrants to the Ontario labour force will be nongraduates from secondary schools?

Can she indicate what programs she is putting forward in order to assist either the training or retraining of the hundreds of thousands of our young people in the age group of 15 to 24 who

are now unemployed and who have not even had the opportunity to get a secondary school graduation diploma? Many of them are now even denied the opportunity to attend community colleges because of the cutbacks that have been ordered by her ministry.

**Hon. Miss Stephenson:** Mr. Speaker, I would like the honourable member to know there have been no cutbacks ordered by the Ministry of Colleges and Universities at the community college level. Indeed, the level of increase to those colleges this year was 12.2 per cent with an additional one per cent to all the colleges as well. I think that signifies there has been nothing that could even be considered a cutback.

I am sure the member knows there are many initiatives under way at the present time. Some of them are related to the secondary education review project and some will become much clearer in the near future. These encourage and assist young people who, although they may have had the opportunity for a secondary education, have not taken advantage of it or have not returned to take advantage of it.

One of the clear initiatives related to that kind of activity is our direction in the funding of education per se. We feel very strongly it is the responsibility of the provincial jurisdiction to ensure that those people who wish to take advantage of educational programs provided by the school boards of Ontario at the primary-secondary level have the opportunity to do so at any time in their lives and without direct cost to them.

We are encouraging, with some very good results in a number of areas, the return of a number of those young people through the counselling mechanism. This stimulates them to consider continuing or furthering education and to return to the secondary school program to acquire the kind of basic and additional skills that will be required for employment.

In addition to that we are taking specific initiatives in the area of the Ontario career action program, which does not restrict itself only to graduates of secondary schools, community colleges or universities, but is available to people who have not completed an educational program. It provides for a 75 per cent success rate and is probably the most successful employment program in Canada at this point. It is so successful that the member's kissing cousins in Ottawa are copying it.

**Mr. Nixon:** My kissing cousins pay a large share of the costs of these programs.

**Hon. Miss Stephenson:** Not OCAP. They don't pay one cent.

**Mr. Nixon:** Oh, the minister and her OCAP and all the rest. If she can get some collection of letters that is catchy, it is worth \$1 million to advertise it and that is about the extent of its usefulness.

Is the minister not aware that when she looks at the funding for community colleges she must not look at it the way her seatmate looks at funding for atomic reactors or her colleague looks at funding for new bridges? She should surely know, ahead of everyone else, there is a strong resurgence due to high unemployment in the number of young people, particularly those 15 to 24, looking for entrance into community colleges. The fact that the minister's level of increase has gone up with the level of inflation plus one per cent—

**Hon. Miss Stephenson:** Plus almost two.

**Mr. Nixon:** Plus almost two per cent. That has nothing to do with the huge increased demand because of the inadequate employment policies of the minister and her colleagues. The fact that Mohawk College in Hamilton, for one, has had to turn away many qualified applicants from many courses is an indication of underfunding. At the same time we are still importing trained technologists from Europe and elsewhere to do jobs that her system, which I still say is underfunded, has not provided. It has not provided training for people right here in this province to take those jobs.

What is the minister going to do about it? For example, can she assure us the budget we are expecting next week is going to make the funding in this area a priority of the \$22 billion we are going to be distributing?

**Hon. Miss Stephenson:** Having spent almost two decades in this House, the member must be aware that budgetary matters fall under the jurisdiction of the Treasurer (Mr. F. S. Miller). If he wishes that specific information he will have to acquire it from the Treasurer. If he can just hold his breath until next Thursday—which might be the best thing that ever happened—he will get the information he is seeking.

**10:20 a.m.**

We have expanded the technology programs in the community colleges significantly. The figures—

**Mr. Nixon:** You are still bringing them in from Norway.



**Hon. Miss Stephenson:** No, we are not. The member is wrong there.

The figures which are quoted by individual colleges must be collated, because the applications to community college programs in high demand are very frequently multiple in nature and most of the young people who wish to acquire that skill are admitted to a program, but it may not be in the first college of their choice. It is unfortunate that the member is using raw figures which cannot be verified at this point, except to say that they were not admitted to one single college.

The expansion of the community colleges has been one of the great success stories of education and training in North America. It continues to be so with the strong commitment of this government.

**Mr. Cooke:** Mr. Speaker, the expansion of the community college program was good at the beginning of the program, but now we are seeing the retraction of the program. How does the minister explain that she is funding the community colleges adequately when at St. Clair College in Windsor and Chatham they are cutting back on 17 full-time faculty members because of lack of funding and they are eliminating virtually all of their part-time faculty in order to cope with the lack of funding that this province has provided?

**Hon. Miss Stephenson:** Mr. Speaker, it is the responsibility of each individual college to ensure that all of its programs are relevant. In many areas the relevance of the program, the number of employment opportunities for the graduates, the cost of the program and the opportunities which may be available in future to those graduates are matters which are considered very seriously on an annual basis to determine whether programs should continue.

The community colleges are attempting to fulfil their mandate to ensure that programs of education and training which they provide encourage young people to move into areas where employment is going to be open to them, where there are opportunities for advancement and where the employers in the community require that kind of training. When decisions are made regarding the establishment of programs, obviously certain other programs may have to be cut back slightly because their relevance is no longer as great as it was in the past.

**Mr. G. I. Miller:** Mr. Speaker, the minister is aware that she has had correspondence from

the chairman of the board of Mohawk College indicating that there has been an increase of 20 per cent in applications at Mohawk this year. They have been willing to set up more time to make four more classes available so they can adjust their programs.

I have two young students in my riding of Haldimand-Norfolk who will be graduating from grade 12. They applied for the 32-week course in the process operations program and were told there were just 16 seats and these were filled. Is the minister aware of that and is she going to be able to do something about it?

**Hon. Miss Stephenson:** Mr. Speaker, I am also aware that the numbers of seats available frequently relate very directly to the potential employment opportunity for the graduates of the program, which is a matter each college must develop. I am also aware that certain programs in existence at one college are also in existence at other colleges which may have space for those students.

**Mr. Speaker:** A new question. The member for Scarborough West.

**An hon. member:** Hear, hear.

**Mr. R. F. Johnston:** Thank you for the enthusiastic support.

**Mr. Ruston:** Now I see why you didn't win that race for the leadership.

**Mr. R. F. Johnston:** Well, Dick, I made the mistake of circulating to my caucus the fact that I was going to be doing the leadoff today and you have seen the appropriate reaction to it.

**Mr. Roy:** Don't worry, you have a seat; your leader doesn't. Hang on to it and don't let them push you around.

**Mr. R. F. Johnston:** I appreciate that, Albert

#### EMPLOYMENT QUESTIONNAIRES

**Mr. R. F. Johnston:** Mr. Speaker, I have a question for the Minister of Labour. Last year, the member for Sudbury East (Mr. Martel) referred to the minister's predecessor the case of Canadian Blower-Canada Pumps, citing inappropriate and offensive use of medical information being requested as a condition of employment.

I want to bring to the minister's attention a case that has come to mine, involving Coinamatic, a company that runs laundromats throughout Ontario; its headquarters is in Montreal but it has major operations in Toronto, Kingston, London and elsewhere.

A constituent of mine, Barbara Knight, 18

years of age, was there on a probationary period of five weeks and was asked as a condition of employment to respond to 56 questions. I will send a copy of them over to the minister. Some of the questions she refused to respond to were: "Do you have hot flashes? Do you suffer discomfort in the pit of your stomach?" That is a very relevant question for a person who is looking for employment. "Do you wet your pants or wet your bed? Have you ever had bleeding between your periods? Do you have heavy bleeding with your periods? Are you handicapped in any way?"

She was refused employment because she refused to fill out this form. Does the minister accept that, and does he agree that this is an infringement of her basic rights? Why is there no protection for somebody under the legislation to stop companies from demanding this kind of unnecessary and frivolously vexatious information from potential employees?

**Hon. Mr. Ramsay:** Mr. Speaker, I have had several letters in the past short while somewhat similar to this, raising the same point. One of them was from the member for Sudbury East relative to Brewers' Warehousing and a similar type of form it has for its employees.

I have asked the Ontario Human Rights Commission just very recently to look into the whole matter. I agree with the honourable member; I find something like this repulsive. Because of these matters that are being brought to my attention in respect to employment forms and questionnaires of this nature, I have referred them to the commission and I am waiting for a complete investigation.

**Mr. R. F. Johnston:** As part of the minister's investigation, will he also look into the whole question of authorization forms? He will see on the other side of the information I have given him that the girl in question was asked to fill out this authorization form for information about her:

"I hereby authorize any licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility, insurance company, the Medical Information Bureau or other organization, institution or person that has any records or knowledge of me or my health to give to Coinamatic any such information."

Does the minister not agree this should not be required of any employee and that it is a basic infringement of the rights of privacy of any potential employee?

**Hon. Mr. Ramsay:** The whole subject of both medical forms and authorization forms is included in the investigation I have requested.

**Mr. Roy:** Mr. Speaker, I noted the minister's comments in answer to my colleague to the effect that he has referred this to the Ontario Human Rights Commission.

In view of the repulsiveness of the type of question and information that has been outlined and the fact that the minister agrees it is repulsive, might he refer this to the Attorney General (Mr. McMurtry), who apparently has a group of people in his ministry processing legislation and certain practices to see whether practices such as these and information such as this are an infringement of the new Charter of Rights as accepted by this country in mid-April?

If there were an infringement of basic rights under the charter by asking such questions, this would be the ideal opportunity to send out bulletins to employers, companies and so on, advising them that they must cease such action in view of the infringement of basic rights under the charter.

**Hon. Mr. Ramsay:** Mr. Speaker, that sounds like a good suggestion, and I will be pleased to follow it up.

**Mr. R. F. Johnston:** I want to bring to the attention of the minister another essential invasion of privacy by this firm. As another condition of employment, all employees of Coinamatic are required every three months to take a polygraph test, a lie detection test, to make sure they are not pilfering funds from that company.

The Ontario Human Rights Commission has said to me that this is essentially an invasion of privacy and an abrogation of their civil liberties but that our human rights commission has no power to do anything about this.

Will the minister add this to his list of invasions of privacy which should be curtailed in this province?

**Hon. Mr. Ramsay:** I might be incorrect in this respect, but it was my understanding there was a study and follow-up on that point. However, I will be happy to look into it.

**10:30 a.m.**

## HOMES FOR THE AGED

**Mr. R. F. Johnston:** Mr. Speaker, my question is for the Minister of Community and Social Services. The minister is no doubt well aware now, because it has been several days since its release, of the report by Medicus Canada on the resident care characteristics and nurse staffing



requirements of the seven homes for the aged run by the municipality of Metropolitan Toronto.

The report basically says, as we have talked about a great deal in estimates, that the ageing process in the homes for the aged is such that the clientele there now is very different from what it was when we first started those municipal homes and that the level of care required for those people is much different today from what it was when the homes began.

Inasmuch as this report indicates that the programs available in those homes are appropriate to only 30 per cent of the residents and that those seven homes themselves need 133 additional nursing staff and about \$970,000 worth of expenditures just to bring them up to the standards that Medicus feels are appropriate, does the minister accept their findings and their analysis of the different levels of care that are required for the homes for the aged?

Will there be money forthcoming from the ministry for the specific recommendations that have been brought forward? Is the minister changing the funding definition of extended care to touch the broader range of care requirements that are mentioned in this report, or is he sticking to the very strict definitions we are working under at this time?

**Hon. Mr. Drea:** Mr. Speaker, I think the honourable member will recall that I talked to the Metro chairman on this matter, which covered not only building standards—which was the question that was asked, I think by the member's former leader—but also job classification. I am trying to recall the month—I think it was December—when the Metro chairman and I were at a dinner; yes, it was at Joe Clark's dinner. We had a handshake, and I said, "Go to it; there is no problem." Okay? That holds.

**Mr. R. F. Johnston:** Can I operate with you the same way?

**Hon. Mr. Drea:** If the member wants to come to dinner with me, I will buy. He can have what he wants, provided it is viable, reasonable and practical. That gives him three bad impediments.

**Mr. Speaker:** And now, back to the question.

**Hon. Mr. Drea:** The member should go back and look at that.

Secondly, the only quarrel I have with that report, and I am surprised the member has not brought it up, is that it deals with just the physical side of the medical or nursing care component. I am also concerned, although this

report does not deal with it, about the activity or social program. I talked to the Metro chairman about that.

Thirdly, as the member knows, the Ministry of Health and my ministry have entered into a study of the extended care situation in both nursing homes and homes for the aged, as was announced in the throne speech. The obvious reason for that is that residential care, or what the member talked about as the type of care that was predominantly required five or 10 years ago, has virtually disappeared.

**Mr. R. F. Johnston:** If the minister accepts the rationale of Medicus in terms of the levels of care that are required, and inasmuch as these are only seven out of the 89 municipal homes currently operated around the province and in our past discussions the minister has agreed that the demography of these homes is pretty well the same around the province—that is, the average age is up around 82 years—will he not agree that one could extrapolate from the Toronto situation and suggest that to bring the level of care in those homes up to par right now, just as he says, not even in terms of activation but in terms of physical nursing care, we would need more than 1,700 extra nursing staff and an expenditure of \$13 million?

The minister shakes his head. Does he not accept that? If he does accept that, when will the money be forthcoming or when will a public inquiry into the status of these other homes be set up?

**Hon. Mr. Drea:** In reverse order: I just told the member that the government announced the study in the throne speech. Second, it is difficult to extrapolate from one system of homes for the aged, because the Metro homes are not just seven homes; they are part of a system that extends into other areas.

Part of the problem in Metropolitan Toronto's homes for the aged is the physical structures themselves. Some of those structures do not lend themselves, without massive renovation, to heavier nursing care and so forth. In many areas of the province—and we have been criticized for this by the member; I am glad to see he is on side now—we have been putting a fair amount of our funds into renovating the older homes, not necessarily on the basis of fire safety. The member criticized us quite vehemently during my estimates last year. I am glad to see he is on side. I am glad to see he now wants me to do these things.

We have been doing a lot of work in bringing up the physical standards to the point where



they can handle these heavier cases effectively, efficiently and, most important of all, in an extremely humane manner. One cannot say that because there is a problem in Metro there is a problem all over the place. One has to look at each individual home for the aged. That is precisely what we have been doing for some time.

The member has another little mistake in there. I do not think he meant it. The average age is not 82. I think he meant to say the average entrance age is around 82. There is a very significant difference. Another thing is that now, because the lifespan is remarkably shorter while there, it is obvious they are coming in much frailer; they are non-ambulatory cases at entrance. This is what we and the Ministry of Health are looking at.

While I said I was concerned about the fact that the activity programs and so forth were not looked at in that report, I do not want to leave the impression here that I am not satisfied with it. If we are looking at the side of the physical medicine and the direct care, I hope when they do these reports in the future that they also will look at the other side, because I do not want it ignored. I think it is quite satisfactory now. I think we are leaders in it in our homes for the aged.

The member shakes his head; that is fine. He has never made a suggestion to us as to how we might improve the inside of the homes. I just do not want to leave the impression that we have some difficulties with the activity programs. I only wish that when they study the job classifications they will look at that as well.

**Mr. Boudria:** Mr. Speaker, I wonder if the minister can tell us very concisely whether he is prepared to approve the additional \$2 million in health funds which is needed to alleviate the staffing and shortages so that we can stop compromising in the care of our elderly in these facilities?

**Hon. Mr. Drea:** Mr. Speaker, I answered that five minutes ago. The honourable member had a written question; I suppose he had to read it but I answered that and I answered it in December.

**Mr. R. F. Johnston:** Mr. Speaker, if I may, I want to combine a minor point of privilege with the preamble to my next question.

10:40 a.m.

As the minister knows, I have had a great deal of experience in homes for the aged around the province and I have been raising the questions

about improving and renovating those buildings since I came here, even with the minister's predecessor—do check Hansard—and made suggestions about activation.

I am concerned as well. To put it in terms of a question, is the minister concerned that these homes for the aged in Toronto have decided not to accept any more patients or residents requiring heavy nursing care because they feel they are being unequally dumped, with the nursing homes and other institutions not picking up their share? What is the minister's policy on that, since I gather the homes have been doing that locally as a matter of policy since April 1? What is the government's position on their refusal to accept these people?

What is the minister doing to protect the seniors who are obviously falling between all these homes that will not accept them because the cost of their care would be too heavy to be profitable for nursing homes? They are too onerous and maybe not applicable to some of the charitable homes. Now the municipal homes are saying they will not take them either.

**Hon. Mr. Drea:** Mr. Speaker, there is an agreed ratio of extended care to residential care patients within homes for the aged. The obvious reason for that is, first, the municipality has to pay 20 per cent of the cost and, second, they may incur a deficit. The deficit is really incurred in the extended care area. The municipality has to pay 30 per cent. It is quite true that we pick up 70 per cent. It is also quite true that it is totally uncapped. It is the last piece of legislation that is uncapped. To have some rationalization, we have this agreed ratio.

There has been a complaint for some time, real or imagined because it is very difficult to determine its accuracy, that the homes for the aged have been getting the more difficult and more costly cases and that this reflects on their deficits. That is precisely why the government in the throne speech announced this comprehensive study between the two providers of care in this area, my ministry via the homes for the aged and the Ministry of Health via the nursing homes. We really want to look at this in the study to come to a rationalized system, because we do not want people shifted from pillar to post.

The difficulty is that what began historically as a very humanitarian thing, a continuum of care from the residential stage into nursing care, now has some implications because there are very few coming in for residential care. We have a continuum of care within a home for the aged



that was not necessarily constructed to provide the service from extended care to heavier extended care to mini-chronic care and, finally, to chronic care.

If that is going to be the accepted process in the future, obviously there are going to have to be a number of significant funding changes made in terms of structure, in terms of funding for the future and in terms of the operating costs as well as the classifications. That is precisely the reason for the study.

#### BUY-CANADIAN POLICY

**Mr. Boudria:** Mr. Speaker, I have a question for the Minister of Industry and Trade. Now that the House has adopted the resolution of the member for Cambridge (Mr. Barlow) to encourage this government to pursue more aggressive buy-Canadian policies, does the government still intend to buy paper punches in Austria, filing boxes in Franklin Park, Illinois, typewriter ribbons in the United States and so on, or does the government now intend actually to implement what was said yesterday? I could go on and talk about cassette tapes made in Japan. I have a whole bunch of others.

**Hon. Mr. Walker:** Mr. Speaker, this is a question that would be asked more properly of the Minister of Government Services (Mr. Wiseman), who no doubt is in charge of a number of the government's acquisitions. However, we do have a strong involvement with the Ministry of Government Services in terms of sourcing. We have within our own ministry a Canadian procurement division, which works with other ministries in respect to all kinds of purchases, and we are trying to extend further the tentacles of that.

I suppose those particular purchases were made for the honourable member's caucus, no doubt by the caucus. Whatever the case, we will certainly make every effort to ensure the continuation of the buy-Canadian practice in line with the recommendation of my good friend the member for Cambridge, who won that riding the last time in a very strong battle. It will not be very long before we try to implement the policy he espoused and had passed here in the House yesterday. Thank goodness he had it passed. We certainly support it.

**Mr. Boudria:** Maybe I should tell the Minister of Industry and Trade that we have a very excellent candidate in Cambridge and the Liberals will win that seat the next time.

Can the minister tell us whether he approves of the recent action by the Ministry of Trans-

portation and Communications in the Haliburton area to invite tenders for the purchase of a snowmobile, specifying that it had to be a Yamaha? Is that the kind of Canadian procurement policy which the minister's particular party in government thinks is proper for the province?

**Hon. Mr. Walker:** I suppose what the member is actually saying is that the candidate they had for the Liberal Party last time in Cambridge was no good. That is for him to say; I would not want to say that.

**Mr. Boudria:** That wasn't the question.

**Hon. Mr. Walker:** On the question of the Yamaha purchase, I do not know the specifics of that individual purchase. However, I do know the—

**Mr. Boudria:** Do you approve of it?

**Hon. Mr. Walker:** I wonder if the member will wait until I finish my answer and then he can repeat his question or even ask another one if he wants.

In terms of procurement within the ministry, the practice we have is to encourage as much Canadian sourcing as possible. I do not know the specifics of that individual purchase. However, knowing as I do the manner in which the Ministry of Transportation and Communications, and in particular the minister, works, I would have—

**Ms. Copps:** We invented snowmobiles in this country.

**Hon. Mr. Walker:** I ask the honourable member to please wait until I finish.

We would have to find out what it was fitting on. It may be absolutely impossible for it to fit on something else. I do not know. It may be that was the only possible alternative. All I can say is that the ministries have been very good in co-operating with our Canadian sourcing division, and I can imagine that in the future they will be even more so. We will certainly check out that particular matter, but my suspicion is that we will find either a mistake was made or the necessity was very demanding for that kind of acquisition.

Perhaps the member would be good enough to tell me the other half of the story. He has given me one half; now he could give me the other half, knowing the facts he must have at his disposal.

#### UNEMPLOYMENT

**Mr. Cooke:** Mr. Speaker, in the absence of

the Treasurer (Mr. F. S. Miller), I have a question for the Minister of Industry and Trade.

The minister no doubt will be aware of the figures that were released today on the unemployment rate in Ontario. He also will be aware that in April 1981 we had 4,169,000 people working in the province, while in April 1982 we have 4,143,000. There has been a decline of 26,000 jobs in this province at a time when in the 1981 budget the Treasurer projected 106,000 jobs would be created. The Minister of Industry and Trade will be pleased with that, because he is the one who says government is not in the business of job creation.

However, is it not time for this government to look at short-term job creation as well as an attack on the structural difficulties in certain sectors of the economy, but specifically through short-term projects of public works, housing and conservation which very quickly could create 65,000 jobs in this province through government expenditure and which would create jobs rather than some of the idle kinds of investments this government has made?

**Hon. Mr. Walker:** Mr. Speaker, in terms of the jobs we have created in this province, I say to the honourable member that when I say governments do not create jobs, I mean we are not in the business of make-work jobs; it is not being honest with the taxpayers when that kind of thing happens, except in some special circumstances.

I will say that it is very important for this government to make sure that the climate exists for private enterprise to create the necessary jobs. When the member makes reference to it, we realize that we have a worldwide phenomenon. In Canada, we have a phenomenon of a lack of jobs at the moment in certain areas, but that still means an awful lot of people are working. That is one thing he forgets: there are a substantial number of people working.

10:50 a.m.

The current round of Statistics Canada reports indicates that only two of the provinces showed any increase in employment. In this province there are some 11,000 more people working than previously. That is an increase the member has to take into account. We are showing some signs of turnaround, and that has to be appreciated by him. He cannot continue to talk about the negatives. He has to talk about some of the positives occasionally. The more he continues to talk that way, the more the public is convinced that things might be far worse than they

really are. The member has a duty to show that this province has an awful lot going for it, and he is not honestly living up to it.

**Mr. Cooke:** The Treasurer was in the city of Chatham a week ago and described the Board of Industrial Leadership and Development program as follows: "It is a wide-ranging, multi-faceted plan designed to foster growth and confidence in this province's economy by nurturing new and emerging industries and strengthening traditional ones."

Now that the BILD program is more than a year old, the unemployment rate, which was projected by the Treasurer to be 6.6 per cent, instead is 7.9 per cent. The fact is, according to Statistics Canada, 575,000 people in Ontario who would like to work are unemployed. Is the minister now prepared to admit that his philosophy of trying to build confidence in the private sector and the BILD strategy were very successful politically but were an economic disaster for Ontario?

**Hon. Mr. Walker:** Not in the least. The member should read some of the editorials relating to BILD which appeared in his own newspapers. The one in the Windsor Star on March 6, referring to the tech centre, says: "We are happy for both Chatham and St. Catharines. It is good to see the provincial government is helping cities where the slump has brought unemployment, layoffs and the attendant troubles." Why does the member not take a look at some of his own editorials? He will find some support for the BILD program in them.

**Ms. Copps:** Mr. Speaker, can the minister tell us what the canoe portage in Cambridge, which was financed by the BILD program, has to do with creating jobs?

**Hon. Mr. Walker:** I will have to obtain an answer on that, Mr. Speaker. I am not familiar with that particular one, but I suspect that if support was provided from BILD for that industry in the period of time when I was not on the BILD committee it was to help Canada.

#### UKRAINIAN CANADIAN CULTURAL CENTRE

**Mr. Gordon:** Mr. Speaker, I have a question for the Minister of Citizenship and Culture. A substantial grant for \$482,000 was given recently to a group that calls itself the Ukrainian Canadian Culture Centre on Spruce Street in Sudbury for renovations to its building.

The group is very small. It has fewer than 150 members, and there are more than 7,000 Ukrai-



nian Canadians living in the Sudbury area. It is a group with a very weak financial base, and it has a political philosophy that is contrary to everything we hold dear in this province and in this country.

Can the minister explain how this group can possibly meet the civil service and ministry guidelines for a capital grant?

**Hon. Mr. McCaffrey:** Mr. Speaker, the honourable member expressed some concern last night about this organization and the grant received. I indicated to him that I would undertake to get the background first thing this morning. The first thing I did this morning was to ask the people in the ministry to do that with regard to the size of the organization, its membership, etc.

I respect the member's concern and, as I said, I will undertake to get the details. When making grants or trying to help groups in their respective communities, we do not undertake—and thank God for it—to make value judgements on the politics of the groups which subscribe. None the less, I will get the details and fill him in on it.

**Mr. Gordon:** When there are 7,000 Ukrainian Canadians in the Sudbury region, I find it very hard to believe that a group of fewer than 150 can meet the financial criteria in every respect to get a capital grant of this size.

**Mr. Speaker:** I am waiting patiently for the supplementary.

Interjections.

**Mr. Speaker:** Final supplementary; the member for Haldimand-Norfolk.

**Mr. G. I. Miller:** Mr. Speaker, can the minister indicate whether grants would be available for, say, a mentally retarded workshop in Haldimand-Norfolk under this ministry's program?

**Mr. Speaker:** That has nothing to do with the main question.

The member for Waterloo North with a new question.

**Mr. Di Santo:** Mr. Speaker, I have a supplementary.

**Mr. Speaker:** Order, please. I shall go over the procedure once more for the honourable member. When we are on private members' questions, we allow the main question and one supplementary to the main question, and then we allow one supplementary from the opposition.

**Mr. Di Santo:** But it was not a supplementary.

**Mr. Speaker:** It was used up, with all respect.

## COMPENSATION FOR UFFI HOME OWNERS

**Mr. Epp:** Mr. Speaker, I have a question for the Deputy Premier. It has to do with urea formaldehyde foam insulation, otherwise known as UFFI. The minister is probably aware of the fact that a decision was made in Sudbury recently to give a reduction of 50 per cent on property assessment to 37 property owners, I believe it was, because they have urea formaldehyde foam insulation in their homes.

I see the minister is looking around for somebody to come to his rescue, and I have not even asked the question yet.

**Mr. Speaker:** I am waiting patiently.

**Mr. Epp:** Given the fact that his colleague the Minister of Revenue (Mr. Ashe) is insulated from the wishes of the people of this province and has taken a very intransigent position with respect to not giving any assistance to these people—I see the chief government whip (Mr. Gregory) is now coaching the Deputy Premier—

**Mr. Speaker:** Does the minister agree?

**Mr. Epp:** I am trying to get his attention, Mr. Speaker.

**Mr. Speaker:** Now for the question, please.

**Mr. Epp:** Yes. Given the fact that the Deputy Minister's colleague the Minister of Revenue is insulated from the wishes of the people of the province with respect to this matter and is sitting in his luxurious office and not dealing with this problem, and given the fact that the Deputy Premier has shown that he is very persuasive with respect to his colleagues in matters such as Suncor, will he take it upon himself to try to persuade the Minister of Revenue and his other colleagues in the cabinet to give assistance to those home owners of up to 50 per cent of their assessment so they can get some of the relief they require with respect to the high taxes they pay on homes?

I ask this also in view of the fact that my colleague the member for Prescott-Russell (Mr. Boudria) introduced a private member's bill yesterday dealing with this same problem and coming forth with a very logical, very reasonable and very helpful suggestion.

**Hon. Mr. Welch:** Mr. Speaker, if the question is directed particularly to the whole principle of assessment, which I assume it was through all the preamble, I have heard my colleague the Minister of Revenue, who is a very competent Minister of Revenue, explain from time to time that this matter is reviewed by the assessment

review court procedures. I assume that will continue to be the case.

**Mr. Epp:** Given the fact that the Minister of Revenue has had this intransigent position, will the Deputy Premier take it upon himself to try to persuade his colleague to have some test cases in this province or, failing that, to have an across-the-board application for reduction of assessments?

Also, will the Deputy Premier try to convince his colleague that where assessments have been reduced, the government should give assistance to the municipalities of this province, which are already being hard pressed with respect to raising taxes? Will he take it upon himself to try to convince the Minister of Revenue to give assistance to the municipalities that are facing this reduction in assessments?

**Hon. Mr. Welch:** I do not feel the Minister of Revenue has been inflexible at all. What he is doing is respecting the system that is in place, which is embodied in legislation, as to the procedures anyone can follow who feels his property values have been decreased because of this substance having been installed.

As far as compensation is concerned, my colleague the Minister of Health (Mr. Grossman) has made it quite clear to this House on several occasions that the responsibility in that regard lies with the government of Canada.

11 a.m.

#### PRIVATE INVESTIGATORS' PRACTICES

**Mr. Mackenzie:** Mr. Speaker, I have a question for the Solicitor General. Is he aware that the Securicor company has been destroying records and files for the last week? Is the minister concerned as to whether or not this may have some effect on the ability of the Ontario Provincial Police to conduct the investigation needed into the activities of this company?

**Hon. G. W. Taylor:** No, I am not aware that Securicor is destroying files. I understand that would be possible within the Business Practices Act and the different pieces of legislation under which different firms operate. I know of no reason that they would be destroying files at this time although it is and can be considered a common practice that firms, even governments, get rid of files when they no longer have any use for them.

**Mr. Mackenzie:** I find the minister's answer rather hard to take. Does the minister not think it is now time to call for the full public inquiry

we have been asking for into the activities of this firm? Will he assure this House that if he is not prepared to call for a public inquiry, the investigation by the Ontario Provincial Police will now be broadened to include companies or principals who have had dealings with, are owned by or are involved in the same disputes as Securicor? I am talking about Stewart Investigations Ltd., W. Stewart and Associates, Jim Lilly, Quest Investigation, Unistaff, Scorpio Investigations Ltd., Aston Associates Ltd., Invicta Services, Armadillo Investigations and Havelberg Securities. At what stage is the minister going to get serious about the activities of this firm?

**Hon. G. W. Taylor:** The Ontario Provincial Police are carrying out an investigation on this and I can assure the honourable member that, as always, they will carry out the investigation to the best of their ability. They are serious, as I am serious, about carrying it out. As to the public inquiry, with the knowledge I have at present, the activities of this firm do not warrant a public inquiry and I see no need for one at this time.

**Ms. Copps:** Mr. Speaker, the minister has stated in this House that the OPP are conducting an investigation. The member for Hamilton East has pointed out to the minister that this company is destroying files; in effect, potentially destroying evidence. Yet the Solicitor General stands in this House and tries to draw a parallel between the situation of a change of government, in the person of Grant Devine of Saskatchewan, and this when he knows that his mandate in this province is to make sure that investigation is carried out to the fullest.

**Mr. Speaker:** Supplementary, please.

**Ms. Copps:** How can the minister ensure that is being done when he stands in this House and makes light of a company destroying files?

**Hon. G. W. Taylor:** In no way did I indicate or draw a parallel between Securicor and the government of Saskatchewan. I indicated that in carrying out business practices it is possible that governments can destroy files. The Business Practices Act determines the length of time files are to be kept and at what time they may be destroyed. The situation at this time may be that it is within the act. I have no indication otherwise.

#### NURSING HOME FUNDING

**Mr. McGuigan:** Mr. Speaker, my question is for the Minister of Health regarding the sale of a nursing home.

On April 1, I informed the minister by letter



that Mr. Deane, the executive director of the Kent District Health Council, as reported in the Ridgetown Dominion newspaper on February 8, said that the council was not in favour of the Barnwell Nursing Home beds being moved to Chatham. But in a letter of April 1, signed by Mr. A. E. Boehm, director of the institutional operations branch of the Ministry of Health, to Mr. William J. Goldhawk of RR1, Ridgetown, Ontario, the ministry says, "In this instance we are advised that the Kent County District Health Council has no objection to the proposed relocation. Given that the proposed purchaser is acceptable to the ministry, we therefore have no grounds on which to refuse this proposed sale."

My question to this minister is this: What purpose does the health council serve if its advice is ignored by this ministry and its position distorted by officials of the ministry?

**Hon. Mr. Grossman:** Mr. Speaker, with respect, I take some objection to the suggestion that the position of the health council was distorted by my ministry. In fact, this particular sale was cleared, as they all are, through the district health council, and that council, as reported by my staff, indicated it had no objection to this particular transfer or sale. If it is the honourable member's opinion or advice received in writing from the DHC that it does have an objection to this particular sale, then he should bring forward that evidence. Only upon production of that evidence would he be able to say that a member of my staff is giving misinformation or ignoring the advice of the district health council.

The member attended a meeting we held with a variety of residents and municipal officials arranged by my colleague the member for Chatham-Kent (Mr. Watson). In his presence, with all due respect, the member for Kent-Elgin, who is asking the question, indicated he himself had some difficulty in understanding the whole concept behind the nursing home funding. He had some difficulty and was somewhat embarrassed in front of his own municipal officials at his inability to understand the handling of these procedures, which are complex.

None the less, I think before he rises and suggests that we do not take advice from the DHC, or that we misrepresent the advice given to us by the DHC, he should get some pretty clear evidence from the district health council with regard to the allegation he is making. We are certainly going to pursue that to ensure that the district health council knows who he alleges has been misrepresented by our ministry and is

aware of his allegations, so that we can clear this up entirely.

**Mr. Speaker:** Petitions? The member for Oakwood (Mr. Grande).

**Mr. McGuigan:** Mr. Speaker, I had a supplementary question.

**Mr. Speaker:** The time for oral questions has expired. For the information of all honourable members, the time for oral questions expired when the member for Kent-Elgin stood up. I recognized you, you asked your question, and I think I have bent the rules to the limit.

**Mr. R. F. Johnston:** You're too lax, Mr. Speaker.

**Mr. Speaker:** Right. Yes, I am indeed.

## PETITION

### JOINT BARGAINING FOR SCHOOL BOARDS

**Mr. Grande:** Mr. Speaker, I have a petition signed by 51 parents at Hawthorne II Bilingual School, the only public school in Toronto that offers a fully bilingual, English-French program for children from junior kindergarten to grade 6. In essence, it says:

"Recently we have learned that the Minister of Education wishes to impose joint bargaining for school boards in Metro Toronto. We are strongly opposed to this amendment to Bill 100 because we feel that the Metro board is not accountable to us as voters and, being the larger body, will not show sufficient sensitivity to the needs of local school communities. In particular, the Metro board has never shown itself to be a friend of smaller schools, parent initiatives or bilingual education.

"We urge the Minister of Education (Miss Stephenson) to drop this particular amendment to Bill 100. We would appreciate a response indicating that she intends to do so."

### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day I would like to table the answers to questions 70, 101, 102 and 104, and the interim answer to question 112 [see appendix, page 000].

**11:10 a.m.**

## MOTION

**Hon. Mr. Wells:** Mr. Speaker, with the consent of the House, I would like to put a motion before orders of the day.



## COMMISSION CHAIRMAN

Hon. Mr. Wells moved, seconded by Hon. Mr. Welch, that an humble address be presented to the Lieutenant Governor in Council as follows:

To the Honourable, the Lieutenant Governor in Council:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the province of Ontario, now assembled, request the appointment of James A. C. Auld as chairman of the Commission on Election Contributions and Expenses for the province of Ontario, as provided in section 2 of the Election Finances Reform Act, RSO 1980, chapter 134. And that the address be engrossed and presented to the Lieutenant Governor in Council by Mr. Speaker.

**Hon. Mr. Wells:** Mr. Speaker, in putting that motion I would just like to inform the members of the House that Arthur A. Wishart has requested that he be relieved of his duties as chairman of the Commission on Election Contributions and Expenses. Of course, this request has been granted and it will become effective May 31 of this year.

Mr. Wishart, as you know, Mr. Speaker, was appointed chairman in May 1975, and was the first person to hold this position on this newly created commission. He has served continuously since that time and I think he has served with distinction.

Mr. Wishart, who is now 78, has served this province well not only in this position but in many other positions. As members will remember, he was first elected to this Legislature in 1963 and he served as the member for Sault Ste. Marie until 1971. For many years he was the Attorney General of this province.

I would also like to announce that James Alexander Charles Auld, a former minister of the crown and the member in this Legislature for the riding of Leeds for 27 years, is being recommended to replace Mr. Wishart on this commission on June 1. Mr. Auld did not seek re-election in the general election of last year and since that time has been chairman of the St. Lawrence Parks Commission.

**Mr. Nixon:** Mr. Speaker, I understand that the appointment is one that comes under the purview and direct responsibility of the government and can be and in fact shall be made by order in council. In the past, similar appointments have been made without reference to the House whatsoever.

I welcome this reference because I firmly believe that we now have a substantial panel of officials, chairmen of commissions and so on, who should consider their appointment the direct responsibility of this House rather than just the responsibility of the government of the day. Besides the chairmanship of the Commission on Election Contributions Expenses these appointments obviously include the Chief Election Officer, the Ombudsman, the Provincial Auditor and, in my view, the Clerk and staff of the Legislature.

There may be others as well, as the responsibilities of government expand, but in my view those particular positions are directly responsible to all members of the Legislature and I for one welcome this move, at least, by the government, in asking that an humble address be sent to his honour in this connection.

I want to join with the Minister of Intergovernmental Affairs in acknowledging the service of Arthur Wishart. There were a few of his recommendations as chairman of the Commission on Election Contributions and Expenses that did not command unanimous enthusiasm in this House. One of the things I was surprised at was his rather irritable response to the fact that those recommendations were not accepted enthusiastically. There is not much we can do about that and, of course, he realizes that this House, by its enactment, gave the election expenses commission the right to make recommendations as to what the level of our indemnities and other payments for our service should be.

We were not pleased to accept those recommendations on at least one occasion and, as we all know, his most recent recommendations are pending. It will be interesting to note how the House will respond to those recommendations when the time comes for us to deal with them—which many feel is already here.

The whole concept of the control and supervision of election expenses and the provision of certain subsidies to bona fide candidates for election to this House has been a good one. I believe the administration by Mr. Wishart and his commission has been excellent from the inception of the commission. There is no doubt about that.

I do not want to make speeches that are a rehash of some things I have said previously, in 1974 and 1975, but it is helpful for us to recall, particularly for those who were not in the House in 1975, that the enactment which established this commission was in response to substantial criticism in this House and in the community



with regard to the actions of the government party in the collection of election funds.

We can recall very clearly that this was a front-page matter of public attention involving Fidinam Ltd., the Moog corporations, the building of the Ontario Institute for Studies in Education, the building of the Workmen's Compensation Board centre and the building of the new Hydro centre. Those are the outstanding examples.

It was under the direct party responsibility of William Kelly, rumoured soon to be Senator Kelly, that a toll gate was established that was extracting a huge amount of dollars from those in the business community who wanted to do business and were doing business with the government of Ontario in this connection.

The government was stonewalling any criticism of that approach at that time. As a matter of fact, when a debate was scheduled for the House which would have condemned the government for its continuing activities, the Premier of the day, the present Premier (Mr. Davis), reversed his position and acceded to the requirement that such a commission be established.

You may recall, Mr. Speaker, hearing about the situation where an honourable member, having been asked by the government to defend its former position of stonewalling any change, went ahead with his speech saying the government would never accept any change under any circumstances. This speech was delivered after the Premier had made a statement that he was caving in on the matter completely and accepting the recommendations as they had been put forward by the opposition and others in the community.

It does not please everybody in the House that we go over all these things, but many people who are not aware of the background think it was a blinding flash of genius from heaven that led our Premier into this, in his altruistic desire to expand the democratic controls of our system. He was led into it kicking and screaming and as a direct requirement of some very bad decisions that had been taken at the time.

But it is a very black cloud indeed that does not have a silver lining. In my view, the legislation we have and its method of administration is as good as anything that I have seen anywhere. We have some exceptions to this, of course, having to do with the limits on electoral expense which we can discuss on another occasion. While in my view it is the best, it still has a good many improvements facing it.

In this connection, various reports from Mr. Wishart and the commission in the past have recommended legislation and amendments to the statute which have not been brought forward in any particular completion, that I am aware of. Many of those amendments are still pending, and it seems we are always too busy in this House to deal with them. I regret that. I think the legislation might very well be brought up to date.

On another note, there is no doubt that James A. C. Auld has well known connections with the Conservative Party. It could well be that the government in its wisdom might have picked somebody like Ross Hall, former member for Lincoln, who has well known connections with the Liberal Party, or maybe even somebody from the New Democratic Party such as Stephen Lewis or Mac Makarchuk or one of those worthies to be chairman. So that almost anybody with a close involvement in and knowledge of elections in this House could have been criticized for having had a political connection. The government might also have gone to some professorial panel and had them do this. But frankly I do not feel sorry the government did not take that course of action.

**11:20 a.m.**

The idea of having as chairman a former politician—probably still in his own quiet way a working politician—does not offend me. At least he knows how this system works and the realities of what we face as politicians in carrying out our democratic duties. The rest of the commission is appointed on recommendation of the three parties in the House so this calls for partisan—I should not say partisan but perhaps political—representation in the best sense that in my view makes it a healthy working commission.

We also have those people who are totally impartial, like the Clerk of our House and one or two others.

**Hon. Mr. Wells:** The Chief Election Officer.

**Mr. Nixon:** The Chief Election Officer, right. Anyway I find the composition of the commission to be quite acceptable—in fact it is a good one indeed.

I do not want to seem any more petty than I sometimes do to my friends across the way, but I do not want to vote in favour of a limousine for the chairman if they do not mind. I hope the government is not going to put us in a position where, just as a gesture to good old Jimmy, we give him a limousine, a driver, an apartment and



free travel expense and every other blooming thing that the imagination of man can evolve.

Please do not put us in that position. I understand he is being well paid. This pay will not interfere with his princely pension from this House. I will speak on another occasion about that. He is being well-paid. His pension probably amounts to another \$2,800 a month or so, so we do not have to take up any collection for James A. C. Auld. He may even come up to Toronto for the meetings in his high-powered twin-engine cabin cruiser. He normally keeps it in the Thousand Islands but would probably love to have it in Toronto Harbour for certain special occasions.

We look forward to having him take on the responsibility of the commission and we are not going to object to the resolution requesting an humble address in his favour.

**Mr. Renwick:** Mr. Speaker, there is little else need be said about the appointment following the peroration of the member for Brant-Oxford-Norfolk (Mr. Nixon), other than to congratulate the retiring chairman of the commission. We would congratulate him on the work he has done over the seven years that he has been responsible for the reform of the election expenses within the very limited capacity available to him under the statute of this assembly which he administers. I do not know whether the outgoing chairman is retiring or whether the government has some new appointment in mind for him. It may well be that Mr. Wishart, at his age, could well serve this government for another 10 or 12 years in some other capacity.

Needless to say, if the proposed incoming chairman were to be the same age as the retiring chairman when he leaves the commission we will be into a new century. I expect there will be few of us here at that time.

I suppose if the short list of persons available for nomination are former members of the executive council of the province the appointment of James Auld is as good as any. I certainly would extend my congratulations to him on that appointment. I do not in any sense hold my breath about the reform of the Election Finances Reform Act.

The government would be foolhardy to reform an act which permits it every four years, or whenever it chooses, to buy the electorate of the province through the expenditure of public funds and through the excessive amounts of money permitted to be spent by the members of the government on their re-election.

That is a matter which is very destructive of

the democratic process. It may well be that a man like Mr. Auld will have a deep concern about reform of the election process and that he will be able to bring some influence to bear upon the members of the government to make certain that reform of the election expenses and contributions law of this province again takes place. As an initial stage, this has proved to be ineffective in preserving the kind of democratic process which we in this assembly should prize.

It is a sad commentary on the electoral process in this province when the number of dollars spent by candidates for re-election and election is far beyond what is required to support the democracy of the system. As well, I believe the process which is being developed with respect to the remuneration of members of the assembly by referring the matter to this commission for its consideration and report is a helpful and useful step forward.

I do not have a great interest in those matters but the process itself, in its own slow and laborious way, has at least given some element of objectivity to an assessment of the value of the services rendered by members of this assembly and what their remuneration should be.

The other area which the government may at some point relinquish to that commission is the question of the redrawing of the electoral boundaries of the ridings and constituencies of the province. It is a matter of concern to us in this assembly that there is no statute which reflects the process by which the electoral boundaries are redrawn. It is done by some mysterious order in council and the announcement will be made at some time that there will likely be an electoral boundaries commission appointed to redistribute the population of the electoral ridings we represent.

It may be the time has come to enlarge the mandate of the commission to encompass electoral boundaries as well. Indeed, that is an area where reform is desperately necessary if we are to have a reasonable and sensible representation by population in this assembly, bearing in mind the scattered nature of a large part of the province and the few people who reside in northern Ontario.

The question of an equitable redistribution of riding boundaries is a matter of concern to me. I am sure it is of concern to other members of the assembly. I hope the incoming chairman will think it a useful addition to the responsibilities of the commission to take upon itself the redistribution of the riding boundaries.

It is sufficient to say that, whatever our



involvement is now in the appointment of the new chairman, let me on behalf of this caucus wish the outgoing chairman our best wishes if he is going into retirement. Let me say to the incoming chairman that our representatives on the commission will work co-operatively with him in the reform of the electoral law of this province.

**Mr. Roy:** Mr. Speaker, I could not let this appointment go by without making some brief comments. I do not intend to cover the ground covered by my colleagues the members for Brant-Oxford-Norfolk (Mr. Nixon) or Riverdale (Mr. Renwick). Suffice it to say that as far as Mr. Wishart is concerned, I would like to join with others and wish him well.

**11:30 a.m.**

I would make this comment about Mr. Wishart. I got to know him when I was assistant crown attorney in Ottawa and he was the Attorney General. At that time he had a tremendous reputation, and he still has, for having been one very good, effective Attorney General. It is ironic, at a time when we are talking about Mr. Wishart and the subsequent era of the Premier (Mr. Davis), how we used to say that Mr. Wishart was doing the job it now takes five cabinet ministers to do.

At that time the Attorney General was doing the job of Attorney General, Provincial Secretary for Justice, Solicitor General, Corrections—I am not sure whether Corrections was under the Attorney General, and I am not sure whether there was a Ministry of Consumer and Commercial Relations at that time. I can recall when all the new ministries were created we spoke very favourably of Mr. Wishart and the fine job he had been doing in that capacity.

I must put this on the record: In my opinion, Arthur Wishart as Attorney General did a far better job in the administration of justice than he did subsequently as chairman of this commission. In my correspondence with him, and in the initiatives that he took in relation to either his office or responding to inquiries or suggestions we made about what we felt were deficiencies in the present statute or in the administration of the act, I did not find him all that responsive. I am disappointed about that.

I found him responsive on some. In the last correspondence we had just a few days ago, he was very responsive to a suggestion I made that the election expenses be published not only in the English-speaking newspapers, but for those of us who have large percentages of franco-

phones, they be published in *Le Droit*, the francophone newspaper, or in other newspapers representing other ethnic groups. He agreed with that suggestion, but on other suggestions, especially about government advertising, I found him somewhat unresponsive.

I will not go any further. I want to wish him well. For all those many years he has served this province he deserves our congratulations and our gratitude.

The appointment of James Auld is an interesting appointment, because no member, certainly no minister, was more popular or more sympathetic to all members of this Legislature than Jim Auld. He is a fine individual. He is well respected. Most people have nothing but nice things to say about him.

If the government is going to appoint a Conservative to that job, Jimmy Auld, as my colleagues have said, is as good an appointment as any. There are those of us who remember Jim Auld for his great capacity to put out fires as a minister and his capacity to lull everybody in this House to sleep was a very effective weapon. I am sure he will put it to full use in this particular job, especially during the heat of an election. Those of us who get excited, those of us who complain or who want some quick response from the commission, may be disappointed or may be lulled to sleep by some of his responses to some of our inquiries during the heat of an election campaign.

Never the less, the government having made the decision to appoint a man so associated with a political party, Jim Auld is as good a Tory as any in this province. I am disappointed that the commission did not seek someone who was not so closely associated with any political party.

This function is so sensitive at times that it would require, with respect, the chairmanship of one who is not closely identified with any political party in Ontario. I am disappointed that choice has not been made. I am disappointed because, as my colleagues have said, of some of the abuses under the act. We will not expect any sort of initiative from the chairman in the area of ceilings for campaign expenses. This has been a regular beef, and as the member for Riverdale has said, we do not expect that government over there to correct a good thing till at least it is caught red-handed in a cookie jar.

Another occasion, for instance, was the Fidnam situation. My colleague for Brant-Oxford-Norfolk said the government response always had been to refuse all requests to have any control



whatsoever over election expenses, till finally this Fidinam situation came on the scene. I recall the whole incident as well. My colleague mentioned the fact that one of the members had stood up on that particular day and delivered a diatribe about how the past system would continue and there would be no changes, while at about the same time his leader was in the midst of changing the process.

**Mr. Nixon:** He had heard his leader make a statement here and went ahead with the speech anyway.

**Mr. Roy:** That is right. I thought that was an interesting experience on that particular day.

My other concern about the fact that the government has decided to appoint an individual associated so closely with the party is in the area where I consider there are other deficiencies.

The major deficiency, of course, is in the area of government advertising prior to and during an election campaign. Many of us criticize this but the past chairman reflected no concern at all about that situation. Today, when I am discussing this problem, I am pleased to see across the aisle from me the Minister of Energy (Mr. Welch), who was the major culprit and offender in what I consider to be this serious abuse of government funds during an election campaign.

Yes, it is his ministry. He looks at me with that innocent, virginal look on his face that says: "Me? How could I have done such nasty things?" His ministry's advertising budget in the year prior to the election was something like \$30,000. In the year of the election and since, the budget went to \$4.7 million. Is that just a coincidence? Did it have nothing to do with the election? There was the continuous theme, "Preserve it, conserve it."

He is subtle, he is quick. But we are not so stupid that we could not perceive that he was using public funds for the benefit of the government and the Conservative Party. That is an abuse which is going to have to be corrected.

The advertising budget of the Ministry of Health went from \$300,000 to \$1.5 million during the election period. I could go on. "Good things grow in Ontario." The day before the election was called, \$100,000 was put into that kitty for advertising during the election.

There is a clear contradiction because there is supposed to be no advertising till the last 21 days of the election. Yet all of this government advertising took place throughout the whole of the election campaign. That is one area where I am not, let us say, enthused about the fact that

the chairman was a member of government when these things took place, and a member of the Conservative Party. I see little encouragement to believe that he will take some initiative to look at this.

I might point out that the federal act gives the commission power to review government advertising. Our statute does not and we should have that power. As I said, I am not overly optimistic, but I hope the chairman will look at this.

Another area I have talked about before is members using advertising schemes prior to the last 21 days of the election period. That was another abuse. The present Minister of Municipal Affairs and Housing (Mr. Bennett) had signs, whole billboards, advertising, all during the election campaign, where his riding office was located. That is clearly, in my opinion, an abuse.

**11:40 a.m.**

The other area of abuse happened in many ridings, but in mine in particular. Members were spending funds, which were properly raised, on radio and television for the benefit of individual candidates. When one looks at the candidates' election expenses, there is not one penny shown for radio or television advertising. Complaints have been made about the member for Carleton (Mr. Mitchell). There was an investigation into this some time ago. In my own riding, the Conservative candidate, Déslauriers, was repeatedly on radio and on television.

In Ottawa, we have a French-speaking radio station, CHOT, which used to have a hockey game from the Montreal Forum on Thursday nights. That was a good time for political advertisements, the draw being very high for the hockey games. I can remember political advertisements for Déslauriers before, during and after the hockey game, yet when I look at his report for the last election campaign not one penny is shown for radio and television advertising. Obviously what happened was that the advertising was paid for by the central fund of the Conservative Party. That type of campaign expense for a candidate should have been in his campaign expenses. I hope this is something that will be looked at and corrected.

The final thing I want to say about this is that, in view of the large amounts of money collected and spent by the Conservative candidates, it seems to me somewhat obscene that any candidate who has accumulated \$25,000, \$50,000 or \$75,000 in his kitty should at some point receive a rebate from the government for \$6,000, \$8,000 or \$10,000. It seems to me to be ridiculous and an abuse of public funds. This rebate was



intended—and I think it is helpful in the democratic process—to fund some of the expenses. But when a candidate has accumulated such amounts, it is ridiculous that he should be getting a rebate from the government.

We wish Jim Auld well. I have no doubt he will work well with the other people on the commission. I do hope—and I am being cynical here when I say I am not optimistic, that these changes will take place, because Jimmy Auld was a participant and a member of the Conservative Party when some of these things went on—that the statute will be changed to make the election commission a more effective instrument not only for the ruling party but for all members of the Legislature and all candidates, whatever party they may represent.

**Ms. Bryden:** Mr. Speaker, I share the concern of the previous speakers that the government seems to look nowhere else than to defeated Conservative candidates or retired Conservative members for this particular position. It puts the position in the category of being part of the Tory party's patronage, rather than following the tradition of looking for the best person for the job. The chairman has to serve all parties with a very even hand. While the person who filled the job in the past has done a fair job, the tradition should not be that a former Conservative member must always hold the position. I think this would have been a time to show that was not the tradition.

Also, I think the behaviour of the government towards the commission in the past indicates that it does not consider it very important, because it has not accepted any of the recommendations that have come from the commission for amendments to the law. I think in the six years I have been here, we have received at least two packages of amendments proposed by the commission and I believe in most cases unanimously adopted by the commission. These amendments were to close loopholes that had come to light in the five or six years that the act had been in effect.

It is understandable that any new act in a new field of this sort, regulating contributions and expenditures in elections, would require amendment and would have loopholes that needed to be closed. But the government seems satisfied to let the loopholes continue, to let people slip through them and to have the taxpayers' money wasted in some cases. I hope the new appointment means the government will change its attitude towards the commission and start to look at those long overdue amendments.

One amendment that has not come from the commission but which this party put forward last year as a resolution in the House, would require that all election expenditures be subject to control. As we know, at the moment only advertising expenditures are subject to a limit. In Ottawa, all election expenditures are subject to a limit and I think it is done to cut out some of the very excessive spending that used to go on in some ridings. If we had such a limit, it would have cut out the excessive spending that went on in the Ottawa-Carleton by-election, which was really a scandal. That is another area the government should be asking the commission to consider and to bring in recommended legislation to cover all election expenditures and put a cap on them.

The other needed amendments are to require more disclosure of the amounts in the trust funds that were set up at the time the Election Act came into effect. Parties were allowed to put money they had on hand into trust funds, but we do not know what went into those trust funds and what came out of them. This kind of information is essential if we are to know what sort of election kitty all the parties have.

I am looking forward to the new commissioner and his commission bringing forward more legislative proposals. I am also looking forward to the government responding to those proposals and bringing in some reform legislation as soon as possible.

**Mr. Bradley:** Mr. Speaker, I too would like to make a brief contribution to the debate on this appointment in view of the fact that it is an extremely important position.

The gentleman who has been chosen by the government for this position is a person well liked and respected in this House and a man many of us admired during his years in this House; a man of integrity. Having said that—and if one is going to pick a Conservative for this job anyway, I suppose Jim Auld is as good a Conservative as any we will find for the job—I would express the sentiment that in positions of this kind, governments should avoid as much as possible what would be considered a partisan political appointment.

**11:50 a.m.**

Indeed, a government probably brings a good deal of credit to itself when it appoints either an independent person, a person with no political affiliation, or an individual of a political affiliation other than that of the government. For instance, this was one action that was taken in



1977 or a little beyond when the Premier in a minority parliament chose a Speaker from one of the opposition parties.

Perhaps the government might have been to a certain extent compelled to do so because of the minority situation. One could say it was a smart political move and one that might be designed to assist in the best workings of the House as well. Nevertheless it gave the appearance that this government was prepared to look upon the Ontario Legislature as something other than merely a rubber stamp for the governing party.

This is another instance where I think an individual outside the governing party, in this case one without associations with the Progressive Conservative Party, would have been a suitable choice. There are many, of course, across the province. Some of my friends in the Legislature have suggested some names.

This position is being placed once again in the partisan arena. We had Mr. Wishart as head of the commission before. He is a man who I think was liked and respected in the House but who, once again, was a former Progressive Conservative minister of the crown. If we are to look upon the commission as being a nonpartisan and independent body I think we have to avoid appointments of those who belong to and are so obviously associated with the governing party. They should not have been so closely associated with the policies brought forward by that party in connection with the election expenses commission.

My friend the House leader of the Ontario Liberal Party has talked about some of the perks that are associated with this job. I always found it slightly amusing that some of the suggestions of the outgoing chairman of the commission about remuneration for members of the Legislature maintained respect for the taxpayers' dollar while at the same time many of the members would certainly not enjoy the perks that go with his position.

I think the new chairman must be a person who recognizes government advertising as being within his purview. The last chairman considered it to be outside his responsibility. I see the commission as having a role in this regard and I hope the new chairman will see that role as policing government advertising. It is in effect advertising for the government in power.

I do not suggest this government has any monopoly on that kind of thing. I have seen it in other political jurisdictions. But as I have said on many occasions in this Legislature, they should not just emulate other jurisdictions.

They should not merely say, "The feds do it," "They do it British Columbia" or something of that nature. I think we in this province have a chance to be leaders in a field such as this and we can avoid this kind of advertising. It was quite obvious during the last campaign. The advertising budget of this government was \$24 million in the year before the last election.

I took it upon myself in the summer or the fall of 1980 to write to the election expenses commission to express my concern and ask them to investigate all of this government advertising that was going on. Much of it was designed to bring credit to the governing party as opposed to providing hard information. At that time the chairman and certain other members of the commission were not supportive of any kind of investigation. They indicated they did not have jurisdiction over it or did not want to deal with it. An independent body, rather than a committee of the Legislature which has a partisan component, could have done that.

That is a role the new chairman of the commission will have to look at. I thought there were many obvious abuses of the advertising budget of the government party which gave it yet another advantage. The governing party in any jurisdiction, particularly one that has been in power for almost 40 years, already has many built-in advantages when it comes to being re-elected.

I hope the new chairman will look at that. I am concerned the new chairman had been a member of the cabinet in a government that saw very little wrong with that, but I hope he will look at the whole problem of spending by candidates in elections. The best example was the member for St. Andrew-St. Patrick (Mr. Grossman) who collected well over \$100,000 and spent some \$90,000 on his campaign. To say the least, that would be considered overkill. Yet the election expenses commission was not in a position or did not choose to comment unfavourably on this.

The Minister of Industry and Trade who was in the House today would find this interesting. When one is the Minister of Industry and Tourism in that case, or the Minister of Industry and Trade as is the case now, if we look at it in terms of subsidization by the taxpayers it really means one has such a built-in advantage because of those—and I do not say this in any sinister way—who feel it would be wise to contribute to the campaign of the person who happens to hold that position. I think that was one of the advantages the Minister of Industry and Tour-



ism had at that time when he collected that amount of money.

On the first \$100 one gets \$75 back as a credit and I think on the next \$550 one gets back 50 per cent. Then it goes down to thirty-three and one-third per cent. In other words, there is a great tax advantage to contributing. When one considers the amount of money that is contributed to one campaign, the taxpayer is heavily subsidizing through that mechanism a person who is able to garner a large sum of money. I do not object to the mechanism in itself. I hope the new chairman of the commission will look carefully at that and report back to this House as to ways of reforming that.

We also want to see a strengthened election expenses commission. I would have hoped an independent person not associated with the government in the past would have been the person chosen to do that. I think I have been careful to say that this is no reflection personally on a gentleman many of us in this House were very fond of for a number of years.

Taking into consideration those few comments, I think we had to go on the record as expressing our concern. The government obviously is determined to have this gentleman, Mr. Auld, appointed to that position. Therefore, we have to wish him the best and hope he takes into consideration the remarks that have been made in the House today so he can alleviate the concern we in the opposition have that a person associated with those policies in the past might well be reluctant to initiate any reforms in that field.

Motion agreed to.

## ORDERS OF THE DAY

### MINISTRY OF INDUSTRY AND TRADE ACT

Resuming the adjourned debate on the amendment to the motion for second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Mr. Renwick:** Mr. Speaker, on a point of order: I drew to the attention of the Clerk of the House that the Order Paper appears to me to be incorrect with respect to this debate and that we are in fact resuming the debate on the amendment to the motion for second reading of the bill.

**Mr. Speaker:** I am advised by the clerk that the order was indeed called that way.

**Mr. Renwick:** Oh, I am sorry.

**Mr. Speaker:** The member for Riverdale; sorry, the member for St. Catharines.

**Mr. Bradley:** Mr. Speaker, I had not intended to change my constituency. The member for Riverdale has been a long-time member there and would certainly be difficult to dislodge. One would suspect that even if his new leader were to run in that riding he would not have the same degree of success as the member for Riverdale, who has had a long and distinguished career in this House and a great affiliation with his own constituents.

Having made that remark, which is irrelevant to this debate, I will proceed with the remarks I was making the other day. It is no bad reflection upon the present Speaker of this House, the member for Peterborough (Mr. Turner), but I notice we have a new Speaker in the chair, the member for St. George, whom I should note is also a distinguished person and has an even more pleasant smile than the Speaker who was sitting in the chair a moment ago.

## 12 noon

The minister will recall that the aspects of the Ministry of Industry and Trade that I discussed the other day related largely to the problems encountered by the automotive industry. I have read parts of the speeches of the present minister, and I think he recognizes the problem. It has certainly been brought to his attention by Pat Lavelle, who is the head of the Automotive Parts Manufacturers' Association of Canada, the organization that is involved with Canadian parts manufacturers, predominantly in this province.

By the way, he has been succeeded, as the minister will know, by Mr. C. Macey, who is the president of the St. Catharines Chamber of Commerce and a senior executive with TRW Canada Ltd. in St. Catharines. Mr. Macey is a person very familiar with the problems encountered, not necessarily by the Big Four in the industry but by those who deal with the Big Four and others in terms of providing the manufactured parts.

One will find in discussing matters with Mr. Macey that he is extremely knowledgeable in this field and very much committed to the continuance of the industry. His company, TRW, is an American-owned company. We see an example in this case of an individual in the person of Mr. Macey who is certainly very pro-Canadian. I believe he is a Canadian. He is a person who is prepared to make the Canadian operation work to the benefit of Canadians and



I guess, speaking parochially, the people in our community. As a member from that area, I hope to continue my dialogue with Mr. Macey. I know the minister will continue his dialogue with that organization through Mr. Macey as the head of it.

We cannot overemphasize the importance of the automotive industry. The minister sits across there. He is certainly well aware of this. I do not say this for his consumption necessarily except to relate it to people in other parts of the country who might somehow have the debate in this House filter to them.

I mentioned to the minister that I had been in British Columbia for a few days and sat in on their Legislature. Their opposition is much better represented, in terms of numbers at least, than is the case in this legislature, but I notice the comments of the Minister of Industry and Small Business Development of British Columbia and their Minister of Finance are somewhat different.

There were a number of people from St. Catharines who were there for other purposes and who are employed in the automotive industry. I was bringing to their attention the opinions of those who represent British Columbia people as they relate to restrictions on automobile trade and to any kind of restrictions in terms of Japan, which is a very important trading partner, particularly for the west coast of Canada as well for as the rest of Canada.

That is why it is important that we in Ontario, whether members of the government party or of the official opposition or of the third party in the House, and most certainly the federal members of Parliament, continue to emphasize and put forward our case for short-term restrictions.

I do not think this minister is saying we should erect a trade barrier wall that will be very difficult to penetrate on a long-term basis. That is not what the industry is asking for. We both know that is not what the industry is asking for. What they are asking for is a chance to catch up, a chance to change their ways, and they are doing it on a progressive basis. They need a chance to change quickly enough to adapt to changing circumstances which came upon us rather rapidly.

I support any efforts that the minister makes and has made in the past to make representations to the federal minister, who must look at all of Canada. Mr. Lumley does the negotiating, and he obviously hears from members of Parliament across this nation. He cannot simply speak for Ontario, but we in Ontario, if we

continue to push our message to the federal government on this issue time and again, are bound to have some impact. I guess we do have a built-in political advantage of having 95 federal seats in this area. There are 75 seats in Quebec and there are areas of Quebec that are very reliant upon the automotive industry.

I encourage the minister to continue the efforts he has already initiated in the past in this direction in terms of Canadian content and in terms of short-term restrictions. As the minister knows, we would not be alone in this. Australia, for instance, has an 85 per cent content rule, yet Australia deals extensively with Japan in terms of its natural resources. I do not think we need fear retaliation from the Japanese as much as we may think we do if on a short-term basis we are prepared to place these restrictions and, on a longer-term basis, we move towards Canadian content.

We recognize that the multinational companies are looking to other jurisdictions where they feel they can get a better economic deal to invest their dollars; for instance, Mexico. But Mexico has content laws, as does Brazil and other jurisdictions. When we see those countries prepared to institute content laws, we in this country can do the same. I know this minister will be sympathetic to that point of view on content in the long term and on restrictive trade practices in the short term.

There is another area I would like to discuss with him. I know he is familiar with the cries of small business and their problems. I think all business is hurt at these times of high unemployment, high investment risk and, especially, high interest rates. All of us are hit, as are all aspects of the economy, but the small business people find it most difficult. Many of them have been wiped out. Some of the stronger people say: "That is the way things go. The strong will survive because they have been good business people." I think this minister recognizes, as do all of us in this House, that some good business people have gone under as well because of the economic climate. I know he is interested in encouraging the kind of economic climate that would be conducive to investment in this province; that is why I make a special plea that he continue and expand programs to assist small business.

Many times I get calls at my constituency office from people who say: "You just gave Ontario Paper, TRW and Ford this much money. Why can't we, who are small business people, get our hands on this money? We are the



entrepreneurial people. We are the people who really create the jobs. We are labour-intensive. Why can't we get money?"

I am fair enough to recognize that the ministry is reluctant to make recommendations for investing the taxpayers' money—because that is what we are talking about; we are not talking about money from the sky—in enterprises that are bound to go under because of poor management practices. I know the minister has to use some caution. But I bring to him the plea of many small business people to ensure that there is assistance for those very people.

The minister has just brought to my attention that Ontario awarded \$213,000 in small business incentive grants to 34 Ontario firms in the first quarter of this year. So there is some progress being made in that area, and I commend him for that progress. I hope that will continue and be expanded upon for those who require it.

I am going to go to the designation "depressed areas." I know the Department of Regional Economic Expansion has problems with this. We in the Niagara Peninsula have been called the Golden Horseshoe, or at least part of the Golden Horseshoe. I can tell the minister that we were proud of that designation in the past, but it has been a number years since we have been the Golden Horseshoe.

Unfortunately, when governments at both the provincial and federal level look at us, they say: "That is a relatively prosperous area of the province. If we are going to gear programs to specific areas of the province"—once again, I go back to DREE as one of those problems—"the Golden Horseshoe really should not be a priority area."

I am sure the minister's officials have made him aware that we have a chronic problem of relatively high unemployment in our area, which becomes acute when the automotive industry takes the kind of downturn that it does today. So I look at this as a plea to the minister that, in consultation with his federal counterparts, he ensure that our area of the province, the Niagara Peninsula, is not forgotten when these programs for so-called depressed areas are initiated; because the unemployment figures, as released by Statistics Canada, clearly indicate that we are in need of those kinds of incentives.

Yesterday I had the opportunity to travel around parts of the Niagara Peninsula with the member for Kitchener-Wilmot (Mr. Sweeney) and the member for Essex South (Mr. Mancini) as part of our inquiry into problems related to youth unemployment. We saw some good pro-

grams in effect. We also saw some that are in need of changes. This relates to the Ministry of Industry and Trade, in that I know employment ultimately is a prime concern of the minister.

**12:10 p.m.**

I talked about apprenticeship programs to one business person who operates a small plant. I asked him: "How are we going to get the programs implemented? Do we have to mandate them? Does the government have to come down hard and say, 'You must train so many apprentices a year'?" His reply to that was, "It might work if you compel them, but once we have a downturn in the economy and the company lays people off because of economic reasons, it is hard to compel that company to keep apprentices if there is no work for them, unless there is some incentive."

That got us to the second part where he suggested that if governments were to provide some kind of incentive, most industries would be prepared to undertake fairly extensive apprenticeship programs. In his case he does anyway, even though he recognizes he is training apprentices for General Motors and other higher-paying companies. He recognizes that as a fact of life. He had a very positive attitude to apprentices. He felt if he trained five and retained one, those he retained were often his best employees who eventually moved into supervisory positions in the plant.

I know the minister will take this suggestion to the ministers who are responsible in terms of training apprentices. His suggestion was that we could train our own people here with some kind of incentive. The reason the incentive is required is that these companies, when they invest in apprentices, feel that they are really investing to provide them for larger companies, even though some of those larger companies have extensive training programs themselves. He was not critical of those larger companies. He stated that as a fact of life.

I think the minister recognizes the need for a highly trained work force. If I were speaking to a group of secondary or post-secondary students, imploring them to continue their education, I would do so based on what is obviously an ultimate goal of this ministry: to have available a highly skilled and trained work force in Ontario.

To a certain extent, that means getting away from our old attitudes—I stray briefly into education here—that really gets away from our old attitude that the only kind of education to have is a straight academic education, and the only kind of job is a so-called white collar job.



From the 1950s on we in North America seemed to have that set in our minds. We are slowly turning that around by recognizing the real needs of this province. The highly paid jobs, and the jobs where there is a future, are in those technical and in some cases highly technical areas. These are opportunities the ministry is attempting, at least in a small way at present, to expand by setting up its technology centres.

This brings me to the auto parts technology centre, which was located in the Niagara Peninsula as we had hoped. I guess we have the luxury of being selective in our praise of certain aspects of the Board of Industrial Leadership and Development program. While we may be critical of a large part of it, saying it is election gimmickry and so on, we in opposition do enjoy the luxury of picking out specific areas we think have been useful.

I must say to the minister that I am pleased he has embarked upon an automotive parts technology centre. Parochially speaking, I am pleased it has been located in the Niagara Peninsula, where we feel a lot of the jobs are. I have had to defend this on the minister's behalf to a certain extent to some who say: "It is a heavy investment. It is only going to create eight jobs to start and maybe 50 jobs along the way. Okay, you have the construction jobs."

I have been in the position of defending it, first, on the basis that the number of jobs involved are more than those at the operation. Second, is the idea of it making our products competitive. The result of the education that will take place there, the technological training, the experimentation and the research, will ultimately benefit our industry.

I will make a political statement and say the government should have done it 10 years ago; which, politically, we always do. I am happy it is there now and I like to thank goodness for small mercies, or the minister in this particular case.

I did not have the opportunity to be present at the official announcement, because I was consumed in very important business in the Ontario Legislature, in the public accounts committee. Friends of mine have suggested the reason the minister called this press conference that day was he knew I would be in the Ontario Legislature. He called it at Tory headquarters, which is the Parkway Inn in St. Catharines, with a lot of fanfare, when the member for that area was busy guarding the taxpayers' dollars in another area of the province.

**Hon. Mr. Walker:** I am sure you disabused your friends of that evil thought.

**Mr. Bradley:** No, I encouraged them to think that, as a matter of fact.

We were happy to have that announcement by the minister. I discussed this privately with the minister yesterday, and I know he will respond at some time in the future, but the people are now asking where the centre is. There was a column under the byline of Steve McNeill a couple of days ago in the St. Catharines Standard which said, "We have had the fanfare of the announcement; now where is the technology centre?" The minister has indicated to me that it will be forthcoming soon, and I will allow him at some time in the future to elaborate on that.

We are pleased on the peninsula to have the centre. It is a positive step. We in the opposition recommended that such a centre should be established. We had no monopoly on that idea. I am sure the ministry people knew about it as well, and that is a positive step. We encourage them to take more steps of that kind to make us competitive in this province.

There is an other area I would look at, if I can touch on it very briefly. Knowing this minister's right-wing, private enterprise philosophy, I will not ask him to deny his cabinet thrice, but I suspect he was not one of the people who patted his fellow ministers on the back for the purchase of the Suncor shares.

As Minister of Industry and Trade no doubt he made representations, and cabinet solidarity prevents him from elaborating on this. Although I am not economic expert enough to say this is the case, it might have been worth investigating greater Ontario participation in the Alsands project, which we know would have the effect of providing some jobs right here in Ontario. That is the importance of these projects. Even when they take place outside our province, they can have a spinoff effect. There might have been a role for Ontario in the Alsands project, whereas the Suncor purchase was not a wise one. I do not want to get into a side debate on that, but I think it would be very useful.

**Mr. Philip:** Do you want to sell it now?

**Mr. Bradley:** I would be prepared to sell it. I suspect the Minister of Industry and Trade—

**Mr. Philip:** It's easy to see you've never made money on the market.

**Mr. Bradley:** No. Unlike my friends in the New Democratic Party, I do not play the stock market on the sidelines and preach the Socialist line in this House.



**Mr. Philip:** Maybe if you did you would learn something about how business operates.

**Hon. Mr. Walker:** A landlord as well.

**Mr. Bradley:** A landlord as well, says the Minister of Industry and Trade. The Deputy Speaker will chastise me for allowing myself to be consumed in a side debate. Also, the member for Scarborough West (Mr. R. F. Johnston) is eager to participate in this debate. I have provided him with the opportunity to place additional notes in front of him; not that he needs them, he is usually extemporaneous in his remarks.

I will bring my remarks to a conclusion by saying that while we have great concerns about what has gone on in the past, there may be a glimmer of light at the end of the tunnel. I hope it is not an engine coming the other way. The minister has opportunities to make this a worthwhile ministry. We hope he seizes those opportunities. Who knows, it might even propel him into the leadership of the Progressive Conservative Party of Ontario.

[Applause]

**Mr. R. F. Johnston:** Mr. Speaker, that is more concerted applause than I got when I did the leadoff today. The quality is improving through the day, that is the reason.

**Mr. Bradley:** I would have voted for you, Richard.

**Mr. R. F. Johnston:** I know. When that got around, I am afraid it skewered my chances totally.

Mr. Speaker, I rise to speak on Bill 38 and, even more pointedly to the reasoned amendment that was introduced by the member for Algoma (Mr. Wildman). It is a pleasure to do so. The reorganization that is going on in government ministries at the moment is in some ways welcome, and in other ways is of some concern to us over here. The government no doubt has noticed we are determined to vote against a number of the realignments that have been recommended.

I will try to restrict my remarks today to the concern that is expressed through the reasoned amendment and, if I might, take a particular example of a case in my riding and show why the reasoned amendment is crucial if this new ministry is to have any impact on economic planning in this province.

The act lays out a number of roles for this new ministry. Most of them I would not quibble with at all, but there are some that are obviously

missing in the policy direction we on this side would like to see.

The two points that were raised by the member for Algoma are these:

First, there should be some wording in this act which states that one of the objectives is to increase the degree of Canadian ownership of Ontario industry. It is vital that this should be put forward very specifically in this bill.

Second, there should be an objective stated specifically in the bill to give it the kind of mandated power which would give authority to provide for the use of crown corporations and joint ventures and to develop key sectors of the Ontario economy where imports dominate.

Those two reasoned amendments would do a great deal towards giving this new ministry an air of being something new, something more than just a trade mission facilitator and, a direction we on this side look forward to, something that adds potential in terms of Canadian ownership and using public intervention in various forms to try to protect jobs in this province.

I want to speak just to those two concerns which we feel should be in the bill establishing this new ministry. I want to relate them, if I might, to a specific case, that of SKF, which we have all heard about many times—and I am glad to see the Globe and Mail has picked up on that today and speaks of the fate of the workers there—and the different kind of response there might have been to the pullout of that Swedish multinational from this province if we had had a ministry whose mandate was specifically in the areas mentioned in our reasoned amendment.

If I may, I will give a little bit of background about SKF which, as I said, is a Swedish multinational corporation. It had been operating in Canada for some 30 years prior to pulling out its manufacturing component in this province.

I will quote from the first report by Dr. Paul Grayson, associate dean of Atkinson College, York University, who has been doing one of the lead studies on the impact of plant shutdowns. He is now studying what has happened to the workers since the closing of the plant.

To give an indication of the size of this corporation and what we are dealing with, it is not, as one might think, just a small ball bearings operation with no major impact on the economy of the western world. It has assets of \$3.2 billion, sales of \$2.9 billion and as well as ball bearings it produces other high-quality steel products. In 1980, it ranked 156 out of Fortune's 500 largest



industrials outside the United States. It is a very large corporation.

Dr. Grayson indicates that in total assets, SKF is roughly twice as large as MacMillan Bloedel, a third larger than Stelco, three times larger than Domtar and Husky Oil and six times larger than Molson's or John Labatt's. It controls 176 companies, has operations on five continents and, according to its 1979 annual report, its world sales were up 16 per cent. Even more important, its sales in Canada were up 33 per cent in the year that the decision to close was made. It is no penny ante company.

The company established itself in Scarborough about 30 years ago, in the early 1950s. At its peak it had about 650 to 700 employees producing ball bearings and other kinds of steel products in the Scarborough plant. It built on 40 some acres of land which, quite frankly, it got for a song as one of the initial major corporations moving into Scarborough as it developed in the early 1950s. It proposed to expand and become a major producer of ball bearings in this country, and it did so for some time.

In the early 1970s, it made a decision to rationalize its Canadian production and moved a number of its high-volume ball bearing lines—most of them known as the 5200 series—to the United States. It kept the low-volume lines here in Canada. Low-volume lines are for specialized kinds of equipment with limited needs and often ones that are about to terminate; so, naturally, they would move these very productive lines to the United States and keep only the smaller-volume lines here. It became less and less a productive plant and one can see over the last 10 years, as SKF has clearly shown us, that their profit and loss margins were not as good as they had been in the initial 15 to 20 years of their operation.

The withdrawal from Canadian production was done on the basis of an international decision from Sweden. In 1976, they actually tried to close the plant down, but a major fight by the International Association of Machinists and some local politicians at that time managed to convince the company to shut down only half the plant. It reduced the number of its employees in 1976 from about 650 to about 300 or 350 on the manufacturing side.

During that period we started importing from the United States the same things we had been manufacturing in Canada—to sell as made-in-Canada goods, if one can believe it. They would bring in ball bearings, in two pieces, to that plant in Scarborough from the plant in Philadelphia.

The bearing itself and the cap were of steel. All we started to do in the Scarborough plant, which had made these bearings for 15 to 20 years, was to grease this ball bearing and slap the cap on it and put it into cartons bearing the name of SKF (Canada) Ltd.

To add insult to injury, as I said to the former Ministry of Industry and Tourism, now the Minister of Health (Mr. Grossman), who is in the House today, those ball bearings actually were stamped SKF (Canada) Ltd. in the United States of America. That is the perfect example of what happens to us in terms of branch plantism and how we start to rationalize services to the detriment of Canadian workers.

Sales went up. Actually, the volume was approximately the same for the 5200 series, about 500,000 units per year, but the difference was that we did not make them here. Some 300 people who were employed were no longer employed in Canada, and we maintained the sales operation for SKF International to have its most profitable sales operation in 1979.

Then, in October 1980, the company announced it was going to close down its manufacturing section. It said to its employees that this was a decision made locally because of the low-volume production lines. However, we found out later that the decision was made in Sweden and that the decision was actually known by the International Association of Machinists there before the management in the plant in Scarborough knew. They happen to have laws over there which require multinationals to disclose the results of their operations and their decision-making in worldwide terms by providing information on an annual basis to the government and the unions in that country.

The great story was that this company was making a major move towards giving real notice to workers. The termination notice was 14 months—highly generous. That was the story, that they were very generous in their termination notice, not that there was no reason for this plant to close down. It so happened that 14 months was chosen because that was when the contract with Pratt and Whitney was going to end and they needed to continue to produce for that period. It was not a matter of generosity to the workers or making it easier for them to find jobs. In fact, the workers in that plant being studied now by Dr. Grayson indicate that they would have preferred a shorter termination notice period, something like six to eight months.

**12:30 p.m.**



Decisions by the workers to leave the corporation, even though they knew there was 14 months' notice, became harder and harder because they would not get severance pay if they left before the 14 months were up. So they had this hanging over them for 14 months, "Leave, take your chances, lose that severance pay you have earned through your union negotiations, or stay for 14 months, knowing at that point you will have to go out and look for work when things are getting worse and worse in the economy of Ontario." That 14 months' notice was no particular gift at all.

I should say one thing about research and development which ties in with this whole idea of Canadian ownership and interest in what we are doing here instead of just being branch plants of some other country's multinationals. At any time that I have been able to find out, they spent no more than \$100,000 on research and development for this plant. This is a plant that is producing over \$70 million worth of goods. One hundred thousand dollars a year is just ridiculous. Most of that, as far as I can tell, went into some studies done in terms of updating machinery that was not even going to be used in the Scarborough plant but in the Philadelphia plant, the South African plant and elsewhere.

It was coincidental that the announcement of the closing of this plant came about at exactly the same time as we set up our select committee on plant closings. We had the company and the union before us and I tried to use that as a forum to get this whole discussion before the Legislature in terms of unjustified plant closings. I still believe this was the perfect example of a plant that should never have been allowed to close.

We were given the financial statement before the committee, after some prodding I might say and with a veiled threat of a subpoena. We were given a financial statement, which is very useful for a corporation worth \$70 million in Canada. I have it before me. I know you can hardly see it from there, Mr. Speaker, but you can also hardly see it when you are up as close as I am. There are five lines in terms of their net sales, etc., then 10 years, and then a profit and loss line at the bottom. That is all they would give our select committee.

They did not have to give it to us because they had exemptions, as far as they were concerned, from giving to any Legislature any material about their economic wellbeing at the time they were closing their plant in my riding. We pushed them and said we wanted more than that. One of

the great ironies was that they did present us with a further financial picture. It happened to be the day or the day before the election was called and because of majority government that select committee seemed to be irrelevant and not necessary in Ontario at that time.

So we have never actually seen these financial statements, although I am sure they were as concocted as this thing was in terms of any real indication of the financial wellbeing of this corporation. These statements are somewhere in the vaults and will not be made available to members of the opposition like myself until many years after this plant has been closed.

During the discussions in that committee, it is interesting to note why this plant closed. Why did it close in Canada when they had plants in Germany, Sweden, France, South Africa, the United States and Mexico? Why Canada? It became very clear that this was the easiest place in the world to close down a plant. It was admitted in testimony that this was one of the more efficient plants, that there was no reason to shut it down in terms of its viability. They made arguments about lack of tariff control, but when we analysed that, they still had a major nine per cent advantage which they would not have had in some of the other jurisdictions.

Why did they close? Because they would have had to justify that plant closing in Sweden. They would have to show why it should be closed in Sweden before any other country in the world. There are major penalties for doing so, and there would have been the prospect of government intervention to stop them from doing it.

That brings me back to the point of our reasoned amendment, which is the notion of joint ventures and joint crown corporations. They could not close down in Mexico, because they had a joint venture with that country. They said they would not move out of there. To move out of France or West Germany would have meant a cost of something between \$16,000 and \$20,000 a worker. In fact, the government of France has the right to say: "You may not close down. This is not a justified closure. It is not possible." The country with the patsies, the country that will not protect its workers but has governments that are willing to sit on their hands while workers who have been doing their part for this country for 26 or 27 years, like many of these people, are being laid off, that is the country they chose, and that country is Canada.

I will not get into our need for other kinds of labour legislation and justification of pension portability, etc., but I would like to talk a little



bit about what we could have done. I have a letter here from the Honourable Herb Gray, federal Minister of Industry, Trade and Commerce, who wrings his hands and essentially says, "However, because of our international trade obligations and other considerations, these options"—that he had laid out above—"have not provided a means of averting this plant closure."

Quite frankly, that is so much balderdash. There is no reason that government could not have said to that corporation, "You have an obligation to make things here if you are going to sell them here, especially when you have been making them here for 20 some years." We now hear this government talking about content legislation for Japanese-produced automobiles. It could easily have applied to ball bearings. The government could easily have said, "You have to maintain your manufacturing plant in Canada and produce 20 per cent of what you sell in Canada or you cannot maintain your sales operation here; you will not get government contracts for many of the ball bearing goods that would come up in terms of transportation, especially in this province." But that was not done, either federally or provincially.

I suggest we could easily have threatened to have moved into—it should not have been a threat, it should have been a promise—a joint venture with that corporation to keep that plant open, so that the people who have been working there for so many years would have been protected. We might even have looked at some kind of worker-controlled, government-shared intervention in that corporation, although it would probably have been less practical. It is difficult because we have allowed them—if I may use the provocative word—to castrate that corporation in Canada for the last 15 years by taking away its most productive lines. If we had stood firm in 1976 and made those lines stay in Canada, maybe we could have done it effectively when we did have options.

Why do we want these options? We want them for economic control and for all the reasons that can be talked about in a very academic and dry way, but, most important, we want them because they would protect the workers. They would protect the people who have made commitments to society, who have given to Scarborough and to this province for years and years and are now being left abandoned. There is a social responsibility, in my view, on the part of government and on the part of corporations. There needs to be something in

this ministry to say we will take on that social responsibility, that we want to have the goals we have laid out in our reasoned amendment.

Let me point out why, specifically in relation to SKF. Who are the workers of SKF? They are primarily men. Their average age is 49 years. Their average length of time in that corporation was 18 years. Their skill level is what one would call semi-skilled or plant-skilled. To give an example, there was a 52-year-old worker who was a ball bearing polisher. He had the equivalent of a primary grade education in Germany before he came here 27 years ago. He has done nothing in the work force except polish ball bearings. He considers himself to be a skilled worker, but that is not exactly a transportable skill.

**12:40 p.m.**

Where does one go with that? He is 52 years of age, with a public school education, three children and a mortgage. That is the kind of person we are dealing with in this plant. He has given work, given up of his energies to make this a viable corporation and had it undermined by a multinational, with no government in this province willing to take action to try and protect him and his rights. He is one of the 61 per cent who are still unemployed after that closure. That closure started in September, finished on December 18, and 61 per cent of them are still unemployed.

Why? It is not just because the economy went bad. If one is 50 years of age, with little education and a particular skill, it is going to be hard as hell to find a job. It is a major imperative for a government to look at other alternatives to maintain that operation.

Of the ones who were employed in that plant and have now found jobs, 51 per cent of them are in non-union shops. There are approximately 40 per cent of them using less skill than they were when they were in the plant. I have been hearing of cases now because they still come to my office, thank God, and I can keep some kind of tabs on what is going on with these people. Many of the men who have gone into the non-union shops, who were last hired obviously, are now being laid off as the crunch hits those other corporations.

One man came in the other day who was the first laid off after he got a job with Bell Canada. These are not people who do not want work. Some 70 per cent of them have said they are willing to retrain. Supposedly a mechanism was set up to retrain some of these people. They have had 14 months lead time to set that up.



Very few of them have had any retraining at all through the Canada Manpower and provincial liaison that was supposed to go on.

There are 70 per cent of them who are willing to accept jobs which will have a lower skill level. Almost 60 per cent of them are willing to accept jobs paying less. These are people who want to work.

They did an estimate of what this closure had done to these people. There were 82 per cent who said they had lost more than \$1,000 of income because of the plant closure in the month and a half after December when this survey was taken; 33 per cent of them said they had lost over \$5,000. What happened to those workers is much more profound than the loss of dollars. There has been an incredible loss of self-esteem going on there.

There is major pressure and potential destruction to the family unit going on there. I would like to refer, if I could, to a couple of questions that were on this survey done by Dr. Grayson to indicate that. These workers were given what is known as a stress chart, starting off with the lowest kind of stress, that is getting a parking ticket from a police officer, and going up to the highest levels of stress we can measure in sociological terms, the death of a spouse, the death of a child and divorce.

They asked these workers: "Where would you rate the effects on you and your family of this plant closure?" Mr. Speaker, 41 per cent of them said that they felt it was stress equivalent to the loss of a spouse. There were 23 per cent of them who responded to the question by saying that as far as they were concerned life was no longer worth while.

These are men who have lost a great deal of their own sense of self-worth because they have been laid off, because their sense of value was tied up with their ability to do their work and to do their work well, and because, at 50 years of age, they have been left now with no prospects of finding work for the next 15 years before their retirement. They feel they are losing the respect of their children and their spouses.

All of this has come about because of a political decision. It has come about because of a lack of political will to intervene to say that the ball bearings industry must have a major Canadian component; that there is a role for joint ventures and public ownership in that industry; that there is a will and a desire by government, as stated in its legislation establishing the ministry, to protect workers, to say that is a prime

concern and not just to let the market look after itself in a laissez-faire fashion.

I do not have any misconceptions about the nature of this minister in terms of his ideological philosophy or of this government in terms of interventionism. By God, if we had that kind of thing in print, if we had that kind of mandate in the ministry's establishing legislation, it might even affect the attitude of the minister to be more than other ministers over there have been, concerned but inactive.

He might then actually take some action to understand the human consequences of this stuff. This is not just dry economic rhetoric. People in my riding are hurting badly and they need not be. This was a profitable corporation which could have been squeezed to stay here, but it was not. I hope this is a perfect example of why we need this addition to the legislation and why, if we had this, the workers in this province might be a lot better protected than they are at present.

**Mr. J. M. Johnson:** Mr. Speaker, I am pleased to have the opportunity to speak on second reading of Bill 38. Many members, and the government, have expressed the need for industrial growth in eastern and northern Ontario. While I share that view of the need in regard to those areas, I also want to express concern for my part of the province, Wellington-Dufferin-Peel in western Ontario.

Some people have the idea that all of western Ontario is blessed with all kinds of industries. This just is not so. Many of the small communities in my riding have never experienced the benefits of having industrial expansion.

I have a clipping here about the town of Shelburne which says the reeve wants to sell the town. It goes on to state: "For a considerable number of years, Shelburne has had little success in attracting industry. They were encouraged several years ago to expand their sewerage system with the hope that would attract industry, but it has not come about. The taxpayers are faced with the cost of paying exceptionally high taxes." They do not have an industrial base to draw taxes from.

It is also a problem in small communities that, if one does not have industries, one cannot offer the youth of the municipality the opportunity to stay in the community. They have to leave. They come to the cities. While they are not as content in the cities, they really have no choice.

I share the concern about the slowdown in many of our cities, such as Windsor, Chatham, Kitchener and Hamilton. It is a concern of this



government and of all the members of the Legislature. I also have a concern for the towns of Fergus and Elora.

I have another newspaper clipping here with the headline "GSW to close its doors." It states: "A major Fergus industry that survived the Great Depression of the 1930s has scheduled two one-week shutdowns that will temporarily eliminate virtually all jobs. It is the most complete shutdown since Beatty Brothers was founded in 1876. General Steel Wares bought them out in 1961. A company that survived the Great Depression is now very close to having to close its doors."

It is easy to blame other people. I think we reckon, as a fact, that we have a very serious problem, not only in Ontario but also everywhere else in Canada and in most of the industrial world. I think we should do what we can to work together to resolve the problem.

**12:50 p.m.**

**Mr. Di Santo:** What do you want to do? What do you propose to do?

**Mr. J. M. Johnson:** I would like to point out that while major cities are suffering thousands in layoffs, for a small community such as Fergus to suffer layoffs of 100, 200 or 300 is just as drastic.

Another point that is often missed by the members when they consider shutdowns or layoffs in Kitchener, Guelph and Hamilton is that they do not take into account that some of these workers reside in my riding and commute to these cities. Layoffs in these cities also affect the communities in the Fergus-Elora area, for example.

We have a financial problem in the agricultural community; this impacts on the business community and then it is further complicated by these layoffs and shutdowns. They have a ripple effect. We have the plant shutdowns, loss of jobs for commuters and stores are then forced to close or to lay employees off to cut their staff down.

A small town in rural Ontario has many of the problems of the cities. I have used Fergus and Elora as examples but many, if not all, of the small towns and villages in my riding are in the same situation. Bolton, Caledon, Drayton, Erin, Shelburne, Grand Valley, Arthur and Mount Forest all fall into similar categories, if not exactly the same ones. They are all experiencing financial difficulties today.

I am concerned about maintaining the financial viability of the downtown cores in these

communities. Very few months go by when we do not see another closure in most of these small towns. Communities with 50 or 60 places of retail business are losing two, three, four or five every three or four months. I would say 10 or 15 per cent of the stores change hands in a year. Many of them close and do not reopen. Many have to lay off employees. It is an extremely difficult time for all businesses, and the retail section is suffering as much as any.

I want to suggest to the minister that while we have the problems of trying to relocate jobs for the people in the cities who are hurt, we also have the same problems to a lesser degree in many parts of rural Ontario. For the future, with increasing costs of fuel for transportation and for the commuters, and with the overcrowding and social problems we have in many of our larger cities, the ministry and this government should look to the feasibility of encouraging more industrial expansion into the rural Ontario, into the smaller communities.

Our small towns need this industrial growth. They need it for better equalization of their tax base. They need it to be able to retain their young people by giving them the opportunity to work at home. They need it to keep their small business community, especially the retail section, financially viable and, as I mentioned, to provide employment for at least some of their commuters.

In closing, I want to compliment the ministry and its Kitchener office, especially a chap by the name of Peter McGough, who has worked extremely hard on behalf of small communities in most of my riding. He has an office in Kitchener and, through the ministry, has done many things to assist industry.

I can mention one industry he helped to establish last year, All Treat Products in Arthur. Actually, it was an established business in another line, but last year the ministry assisted the start of a new venture producing bark chips, the pieces of bark used around flower gardens. We have them in most of the flower gardens around Queen's Park.

Until last year, most bark was imported from the United States. I believe there is something like \$10 million worth of bark imported into this country. All Treat feels it will be able to replace at least 40, 50 or 60 per cent of this market.

It was the ministry's Peter McGough in Kitchener who took these people down to North Carolina and showed them the production system in that state. Through his persistent efforts, they were able to establish a similar plant in



Canada in my riding of Wellington-Dufferin-Peel. That is a positive fact.

In closing, I will mention a negative fact. In my home town of Mount Forest we have a casket company, Mount Forest Caskets Ltd., which is in financial difficulties; the reason is the importation of metal caskets from the United States. The companies not only ship the products into Canada but it is my understanding they also place them in funeral parlours without cost. They financially support the undertakers in obtaining these caskets without any cost. This competition is extremely difficult for a small

company to face. There is a possibility that 50 or 60 workers will lose their jobs if this small casket company goes under. It is one of few such companies left in Canada, and we should do what we can to prevent it. Again, it is a problem pertaining to imports. I am not sure what the minister can do, but I ask him to check into it and see whether there is anything that can be done before we lose another industry.

On motion by Mr. J. M. Johnson, the debate was adjourned.

The House adjourned at 1 p.m.

## APPENDIX A

## ANSWERS TO QUESTIONS ON NOTICE PAPER

## PARTICIPATION IN OHIP

**31. Mr. Di Santo:** Will the Minister of Health inform the House of: (1) how many doctors were participating in OHIP in 1981; and (2) how much each participating doctor was paid by OHIP in 1981 for services rendered? [Tabled April 2, 1982].

**Hon. Mr. Grossman:** (1) A total of 13,208 physicians are recorded as participating in OHIP in 1981. (2) It is not the policy of the ministry to provide details of OHIP payments to individual physicians.

## TORONTO DRINKING WATER

**53. Mr. Elston:** Would the Minister of the Environment provide data for 1979, 1980 and 1981 on samples of Toronto drinking water, specifying the concentrations of the following substances: Alpha-BHC, lindane, DDE, diel-drin, chloroform, bromodichloromethane, chlorodibromomethane, bromoform, benzene, toluene, O-xylene, M-xylene, P-xylene, methylene, chloride, copper, iron, lead, manganese, nitrogen (ammonia), nitrogen (nitrate + nitrite), nitrogen (Kjeldahl), nickel, phosphorous, selenium, sulphate, zinc? [Tabled April 7, 1982].

See sessional paper 87.

## CLEANUP AT PRIVATE WASTE SITES

**56. Mr. Elston:** Would the Minister of the Environment outline: (1) what remedial cleanup measures are being taken; (2) when the remedial cleanup will be completed; (3) what impacts there have been on the surrounding environment, for the following private industrial waste sites: (1) the Robson Lang Tannery, Oshawa; (2) Oshawa Harbour Commission site; (3) DHI Ltd., of Streetsville; (4) Union Carbide Canada Ltd., of Oakville; (5) Canada Printing Ink of Burlington; (6) Beardmore Tannery in the town of Acton; (7) Pauze Landfill in Tiny township; (8) Cyanamid Canada Ltd., in St. Davids; (9) Gloucester Sand and Gravel Ltd., in the township of Gloucester; (10) River Road site in London; (11) Welland Chemicals Ltd., on the Sarnia Indian reserve? [Tabled April 7, 1982].

See sessional paper 88.

PRIVATE WELLS USED  
FOR DRINKING WATER

**57. Mr. Elston:** Would the Minister of Health

provide the following data for the years 1980 and 1981 on private wells which supply drinking water supplies: (1) the number of wells closed; (2) the location of these wells; (3) the dates on which the wells were closed; and (4) the reason for which Ministry of Health officials deemed that the private wells' supplies were nonpotable? [Tabled April 7, 1982].

**Hon. Mr. Grossman:** Local public health units, not the Ministry of Health monitor private water supplies. Technical assistance to local public health officials is available from the private water unit of the Ministry of the Environment. The Ministry of Health does not collect the data requested.

## ACID DEPOSITION

**70. Mr. Elston:** Would the Minister of the Environment provide data on the percentage contribution of wet and dry acidic deposition by the sources listed to the receptor areas listed based on the most recent emission data, deposition data and MOE's LRT model? Sources: Inco in Copper Cliff, Ontario; Ontario Hydro fossil-fired generating stations; Algoma Steel Ltd., of Wawa, Ontario; Canadian sources outside of Ontario; US sources. Receptor areas: Muskoka; Haliburton, Adirondacks; Michigan; Minnesota; Algoma and Lakehead. [Tabled April 7, 1982].

See sessional paper 93.

CHARGES OF WASTEFUL  
CUTTING PRACTICES

**86. Mr. Van Horne:** Would the Minister of Natural Resources table the names of timber companies that were charged under section 24(4) of the Crown Timber Act with regard to wasteful cutting practices for 1981-82 and the amount of the fine? [Tabled April 16, 1982].

**Hon. Mr. Pope:** No companies have been charged under section 24 for wasteful cutting practices.

## FOREST MANAGEMENT AGREEMENTS

**87. Mr. J. A. Reed:** Would the Minister of Natural Resources provide the following information on the forest management agreements? (1) Of those agreements signed, which companies have submitted operating plans and management plans? (2) When were these plans due



and when were they submitted? (3) Which companies have yet to submit operating or management plans and when were they due? [Tabled April 16, 1982].

See sessional paper 92.

#### WATER TREATMENT PLANTS

**88. Mr. Elston:** Would the Minister of the Environment provide the following information regarding water treatment plants on the shores of Lake Ontario: (1) the location and names of all plants; (2) the communities each services; (3) the total population each plant at present serves; (4) the potential population that each plant can serve; (5) the present type of treatment system in each; (6) is there chlorination at any of the plants, and if so, what are the most recent concentrations of trihalomethanes detected; (7) the present quantity of water treated per day (in gallons)? [Tabled April 16, 1982].

See sessional paper 89.

#### QUALIFICATIONS OF MINISTRY OFFICIALS

**89. Mr. Elston:** Would the Minister of the Environment provide information on the qualifications of officials within the MOE or utilized by the MOE who are responsible for looking at the implications to human health of contaminants found in drinking water and in fish? [Tabled April 16, 1982].

See sessional paper 90.

#### ONTARIO CENTRE FOR RESOURCE RECOVERY

**90. Mr. Elston:** Would the Minister of the Environment provide the following information regarding the Environment ministry's contract with Browning Ferris Industries for the management and operation of the Ontario Centre for Resource Recovery: (1) a copy of the contract; (2) the expected annual revenues during the period of the contract; (3) the expected annual net profits which will accrue to Browning Ferris during the period of the contract; and (4) the number of Browning Ferris employees who operate the facility? [Tabled April 16, 1982].

See sessional paper 91.

#### PRINCESS MARGARET HOSPITAL

**91. Mr. Laughren:** Will the Minister of Health indicate what percentage of patients at Princess Margaret Hospital in Toronto during the past five years have been: (a) from northern Ontario

(by district), and (b) from the Sudbury district? [Tabled April 16, 1982].

**Hon. Mr. Grossman:** The Ministry of Health does not maintain this information on file. This type of data may be collected by the hospital. A request for such information would need to be made directly to the hospital.

#### CHINA—7,000 YEARS OF DISCOVERY

**94. Mr. Boudria:** Would the Minister of Culture and Citizenship provide the House with the total cost of producing the information kits known as China—7,000 Years of Discovery, including the total costs of printing, graphics and distribution? Would the minister inform the House of the quantity of kits that were produced? Would he also inform the House whether or not this expenditure constitutes the best possible use of taxpayers' dollars in these difficult economic times. [Tabled April 21, 1982].

**Hon. Mr. McCaffrey:** 1. The total cost of producing the information kits known as China—7,000 Years of Discovery was approximately \$3,000 (including printing, graphics and distribution).

2. The number of kits produced was approximately 1,500.

3. The costs of the show, China—7,000 Years of Discovery, including the cost of the information kits, are being covered by a special admission fee and therefore do not constitute an expenditure of taxpayers' dollars. The information kits were prepared for media representatives and leaders in business, industry and government, and it is expected that the increased attendance generated by the kits will be substantial. Substantial free publicity has already been generated as a result of the distribution, including articles in Maclean's, Canadian Geographic, Museum and the Sunday Sun.

#### TOWN CENTRE AT HORNEPAYNE

**97. Mr. Wildman:** Would the Minister of Northern Affairs indicate how much equity the provincial government has obtained in the Hallmark Town Centre development at Hornepayne in exchange for the provincial capital investment of \$4,354,000 in the project? Furthermore, would the minister list all owners who have shares in the development? [Tabled April 23, 1982].

**Hon. Mr. Bernier:** As provided under the letter of intent dated August 15, 1978, the provincial capital investment is reflected in the

public sector leases through reduced rents and the terms of the leases, as follows:

High school—basic rent of \$1 per year; 30-year term of lease renewable for a further 30-year term;

Recreation facilities—basic rent \$1 per year; 30-year term of lease, renewable for a further 30-year term;

Medical/dental facilities—basic rent \$5,558.90 per year; 30-year term of lease, renewable for further 30-year term.

The development is owned solely by Hallmark Hotels Limited.

#### DEATH OF RANDALL PHILLIP WINTER

**99. Mr. Van Horne:** Would the Minister of Consumer and Commercial Relations indicate what action he will take on the three recommendations made by the coroner following the inquest into the death of 18-month-old Randall Phillip Winter of Ingersoll, Ontario? [Tabled April 23, 1982].

**Hon. Mr. Elgie:** The chief coroner was informed that municipalities are authorized to pass property standards bylaws and that the appropriateness of these bylaws to regulate conditions such as existed at Centennial Hall should be reviewed with the Ministry of Municipal Affairs and Housing.

**100. Mr. Van Horne:** Would the Minister of Municipal Affairs and Housing indicate what action he will take on the three recommendations made by the coroner following the inquest into the death of 18-month-old Randall Phillip Winter of Ingersoll, Ontario? [Tabled April 23, 1982].

**Hon. Mr. Bennett:** My ministry has taken the following actions pursuant to the three recommendations made by the coroner's jury on the inquest into the death of Randall Phillip Winter of Ingersoll, Ontario:

Recommendation 1: "That the Ontario government institute a rehabilitation program at upgrading safety in public and private buildings; and that they give consideration to making grants available to assist in remedying any serious safety problems."

My ministry has been involved in the development of the recently proclaimed Ontario Fire Code which is designed to regulate fire safety requirements in the operation and maintenance of existing buildings. Under the Planning Act, municipalities can pass property standards bylaws and employ property standard officers to inspect all buildings to ensure safety requirements are

met in the operation and maintenance of those buildings.

In addition, my ministry is in the process of developing rehabilitation guidelines in which life safety will be given paramount consideration. With respect to offering grants, the responsibility for rectifying any unsafe condition is the responsibility of the building owner and we believe such conditions can be readily covered within normal building operating funding.

Recommendation 2: "The the Ontario government include a requirement that municipalities carry out periodic safety inspection of all public buildings, apartment and other buildings used by large numbers of people; that such inspections identify any safety hazards and bring these hazards to the attention of owners; and where the hazard is in violation of the safety code, the owner be compelled to correct them."

The Ontario Building Code, administered by the Ministry of Consumer and Commercial Relations, regulates life safety matters in the construction of new buildings, and inspections carried out under the property standards bylaws and the new fire code are designed to identify hazards which may develop in existing buildings. Municipal officials under these regulations have the authority to issue orders to correct any improper safety hazards.

Recommendation 3: "That the city of London be urged to improve the safety of Centennial Hall and other public buildings it owns."

The city of London has informed us that all stairway handrails in Centennial Hall have been properly corrected and that a program of inspection and correction has been implemented for all buildings.

#### CASE OF ANGELO IANNELLI

**101. Mr. Di Santo:** Will the Minister of Community and Social Services table the following information? (1) How much did the ministry spend in salaries and/or legal fees to challenge the decision of SARB in the case of Mr. Angelo Iannelli? (2) Why is the ministry insisting that SARB send any new evidence received by it at a hearing back to the ministry? What is the rationale for such an interference into the operations of an independent board? [Tabled April 23, 1982].

**Hon. Mr. Drea:** (1) Nil. (2) Ministry files have to be kept fully up to date and all evidence must be contained in them in order to provide documentation first of all to support the actual level of payments to the individual and, second-



ly, for audit and cost-sharing with the federal government purposes.

In this particular instance, the board's decision to uphold Mr. Iannelli's appeal was based upon medical evidence that had neither previously been submitted to the director, nor to the Medical Advisory Board. The Medical Advisory Board has to review all medical evidence and make its assessment available to the director and the SARB prior to any decision being taken. As this did not happen on this occasion, it is possible that the decision of the SARB could have been technically invalid.

For technical reasons, therefore, we had to ask for the review with the SARB in order to provide time for the Medical Advisory Board to assess the new medical evidence and to protect Mr. Iannelli's disability level payments. Once the Medical Advisory Board had confirmed that the new evidence did indeed indicate Mr. Iannelli was disabled, we did not proceed with the review.

#### WORKER COMPENSATION WHITE PAPER

**102. Mr. Di Santo:** Will the Minister of Labour table the following information: (1) How many presentations have been made to the ministry on the worker compensation white paper to date? (2) How many individuals, groups and organizations have asked to make presentations? (3) Has the ministry set any deadline for the presentations to be made? [Tabled April 26, 1982].

**Hon. Mr. Ramsay:** (1) Seventy-five briefs; six oral presentations. (2) Eleven requests to make presentations: six have been heard; five outstanding. (3) No.

#### GRANTS TO FOREST INDUSTRIES

**104. Mr. Wildman:** Would the Minister of Natural Resources provide a list of the various grants and subsidies programs the provincial government has implemented for the pulp and paper and lumbering industries, stating amounts

spent for each program in each of the following fiscal years: 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981? Would the minister provide a list of the companies that received such grants and/or subsidies from the provincial government in each of the following years: 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981? [Tabled April 28, 1982].

See sessional paper 94.

#### INTERIM ANSWERS

**85 to 87. Mr. T. P. Reid:** Hon. Mr. Pope—The replies to questions 85, 86 and 87, Order Paper 22, will be available on or about May 25, 1982.

**93. Mr. Boudria:** Hon. Mr. Walker—Answer will be forthcoming on or about May 13, 1982.

**96. Mr. Swart:** Hon. Mr. McCague—The ministry will require additional time to assemble the information required to respond to this question. The answer should be available about June 15, 1982.

**98. Mr. Elston:** Hon. Mr. Norton—Additional time will be required to provide the response to the above question. The answer will be ready on or about May 14, 1982.

**111. Mr. Bradley:** Hon. Mr. McCague—The actual cost for each trip and each individual, for any trips which may have been made outside Canada during April 1982, would not be known until all the receipts for expenditures can be consolidated. Additional time will therefore be required to compile the information required by this question. The answer should be available around mid-June 1982.

**112. Mr. Bradley:** Hon. Mr. McCague—The detailed costing information required by this question will take longer than the normal 14 days to prepare. The answer should be available by about mid-October 1982.

**113. Mr. Bradley:** Hon. Mr. McCague—Part of the answer to this question will be contained in the answer to question 13 when tabled around mid-May 1982. The additional information should be available by the end of May 1982.

## APPENDIX B

## ALPHABETICAL LIST OF MEMBERS\*

(124 members)

Second Session of the 32nd Parliament

**Lieutenant Governor: Hon. J. B. Aird, OC, QC****Speaker: Hon. John M. Turner Clerk of the House: Roderick Lewis, QC**

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- Andrewes, P. W. (Lincoln PC)
- Ashe, Hon. G. L.**, Minister of Revenue (Durham West PC)
- Baetz, Hon. R. C.**, Minister of Tourism and Recreation (Ottawa West PC)
- Barlow, W. W. (Cambridge PC)
- Bennett, Hon. C. F.**, Minister of Municipal Affairs and Housing (Ottawa South PC)
- Bernier, Hon. L.**, Minister of Northern Affairs (Kenora PC)
- Birch, Hon. M.**, Provincial Secretary for Social Development (Scarborough East PC)
- Boudria, D. (Prescott-Russell L)
- Bradley, J. J. (St. Catharines L)
- Brandt, A. S. (Sarnia PC)
- Breaugh, M. J. (Oshawa NDP)
- Breithaupt, J. R. (Kitchener L)
- Bryden, M. H. (Beaches-Woodbine NDP)
- Cassidy, M. (Ottawa Centre NDP)
- Charlton, B. A. (Hamilton Mountain NDP)
- Conway, S. G. (Renfrew North L)
- Cooke, D. S. (Windsor-Riverside NDP)
- Copps, S. M. (Hamilton Centre L)
- Cousens, D., Deputy Chairman of Committees of the Whole House (York Centre PC)
- Cunningham, E. G. (Wentworth North L)
- Cureatz, S. L., Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)
- Davis, Hon. W. G.**, Premier (Brampton PC)
- Dean, G. H. (Wentworth PC)
- Di Santo, O. (Downsview NDP)
- Drea, Hon. F.**, Minister of Community and Social Services (Scarborough Centre PC)
- Eakins, J. F. (Victoria-Haliburton L)
- Eaton, Hon. R. G.**, Minister without Portfolio (Middlesex PC)
- Edighoffer, H. A. (Perth L)
- Elgie, Hon. R. G.**, Minister of Consumer and Commercial Relations (York East PC)
- Elston, M. J. (Huron-Bruce L)
- Epp, H. A. (Waterloo North L)
- Eves, E. L. (Parry Sound PC)
- Fish, S. A. (St. George PC)
- Foulds, J. F. (Port Arthur NDP)
- Gillies, P. A. (Brantford PC)
- Gordon, J. K. (Sudbury PC)
- Grande, T. (Oakwood NDP)
- Gregory, Hon. M. E. C.**, Minister without Portfolio (Mississauga East PC)
- Grossman, Hon. L. S.**, Minister of Health (St. Andrew-St. Patrick PC)
- Haggerty, R. (Erie L)
- Harris, M. D. (Nipissing PC)
- Havrot, E. M. (Timiskaming PC)
- Henderson, Hon. L. C.**, Provincial Secretary for Resources Development (Lambton PC)
- Hennessy, M. (Fort William PC)
- Hodgson, W. (York North PC)
- Johnson, J. M. (Wellington-Dufferin-Peel PC)
- Johnston, R. F. (Scarborough West NDP)
- Jones, T. (Mississauga North PC)
- Kells, M. C. (Humber PC)
- Kennedy, R. D. (Mississauga South PC)
- Kerr, G. A. (Burlington South PC)
- Kerrio, V. G. (Niagara Falls L)
- Kolyn, A. (Lakeshore PC)
- Lane, J. G. (Algoma-Manitoulin PC)
- Laughren, F. (Nickel Belt NDP)
- Leluk, Hon. N. G.**, Minister of Correctional Services (York West PC)
- Lupusella, A. (Dovercourt NDP)
- MacDonald, D. C. (York South NDP)
- Mackenzie, R. W. (Hamilton East NDP)
- MacQuarrie, R. W. (Carleton East PC)
- Mancini, R. (Essex South L)
- Martel, E. W. (Sudbury East NDP)
- McCaffrey, Hon. R. B.**, Minister of Citizenship and Culture (Armourdale PC)
- McCague, Hon. G. R.**, Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
- McClellan, R. A. (Bellwoods NDP)
- McEwen, J. E. (Frontenac-Addington L)
- McGuigan, J. F. (Kent-Elgin L)
- McKessock, R. (Grey L)
- McLean, A. K. (Simcoe East PC)



**McMurtry, Hon. R. R.**, Attorney General (Eglington PC)  
**McNeil, R. K.** (Elgin PC)  
**Miller, Hon. F. S.**, Treasurer of Ontario and Minister of Economics (Muskoka PC)  
 Miller, G. I. (Haldimand-Norfolk L)  
 Mitchell, R. C. (Carleton PC)  
 Newman, B. (Windsor-Walkerville L)  
 Nixon, R. F. (Brant-Oxford-Norfolk L)  
**Norton, Hon. K. C.**, Minister of the Environment (Kingston and the Islands PC)  
 O'Neil, H. P. (Quinte L)  
 Peterson, D. R. (London Centre L)  
 Philip, E. T. (Etobicoke NDP)  
 Piché, R. L. (Cochrane North PC)  
 Pollock, J. (Hastings-Peterborough PC)  
**Pope, Hon. A. W.**, Minister of Natural Resources (Cochrane South PC)  
**Ramsay, Hon. R. H.**, Minister of Labour (Sault Ste. Marie PC)  
 Reed, J. A. (Halton-Burlington L)  
 Reid, T. P. (Rainy River L-Lab.)  
 Renwick, J. A. (Riverdale NDP)  
 Riddell, J. K. (Huron-Middlesex L)  
 Robinson, A. M. (Scarborough-Ellesmere PC)  
 Rotenberg, D. (Wilson Heights PC)  
 Roy, A. J. (Ottawa East L)  
 Runciman, R. W. (Leeds PC)  
 Ruprecht, T. (Parkdale L)  
 Ruston, R. F. (Essex North L)  
 Samis, G. R. (Cornwall NDP)  
 Sargent, E. C. (Grey-Bruce L)  
 Scrivener, M. (St. David PC)  
 Sheppard, H. N. (Northumberland PC)  
 Shymko, Y. R. (High Park-Swansea PC)  
**Snow, Hon. J. W.**, Minister of Transportation and Communications (Oakville PC)  
 Spensieri, M. A. (Yorkview L)  
**Stephenson, Hon. B. M.**, Minister of Education and Minister of Colleges and Universities (York Mills PC)  
**Sterling, Hon. N. W.**, Provincial Secretary for Justice (Carleton-Grenville PC)  
 Stevenson, K. R. (Durham-York PC)  
 Stokes, J. E. (Lake Nipigon NDP)  
 Swart, M. L. (Welland-Thorold NDP)  
 Sweeney, J. (Kitchener-Wilmot L)  
**Taylor, Hon. G. W.**, Solicitor General (Simcoe Centre PC)  
 Taylor, J. A. (Prince Edward-Lennox PC)  
**Timbrell, Hon. D. R.**, Minister of Agriculture and Food (Don Mills PC)  
 Treleaven, R. L. (Oxford PC)

**Turner, Hon. J. M.**, Speaker (Peterborough PC)  
 Van Horne, R. G. (London North L)  
 Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)  
**Walker, Hon. G. W.**, Minister of Industry and Trade (London South PC)  
 Watson, A. N. (Chatham-Kent PC)  
**Welch, Hon. R. S.**, Minister of Energy (Brock PC)  
**Wells, Hon. T. L.**, Minister of Intergovernmental Affairs (Scarborough North PC)  
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Resources development: chairman, Mr. Harris; members, Mr. Andrewes, Ms. Fish, Messrs. Kolyn, Laughren, McNeil, Reed, Riddeli, Stokes, Sweeney, Villeneuve and Williams; clerk, A. Richardson.

Social development: chairman, Mr. Shymko; members, Messrs. Boudria, Cooke, Ms. Copps, Messrs. Gillies, R. F. Johnston, Kells, McGuigan, Pollock, Robinson, Sheppard and Watson; clerk, G. White.

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Pensions: chairman, Mr. J. A. Taylor; members, Messrs. Brandt, Cousens, Cureatz, Gillies, Haggerty, Jones, Mackenzie, McClellan, Riddell, Van Horne and Williams; clerk, G. White.

\*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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Welch, Hon. R. S., Minister of Energy (Brock PC)  
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)









Ontario

No. 45

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Monday, May 10, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

**Monday, May 10, 1982**

The House met at 2 p.m.

Prayers.

## DEATH OF POLICE CONSTABLE

**Mr. J. M. Johnson:** Mr. Speaker, I rise on a point of personal privilege.

Early yesterday morning, Constable Rick Hopkins, a 10-year veteran of the Ontario Province Police, Mount Forest detachment, was shot and killed in the line of duty. Today, I would like to express the heartfelt sympathy of this House and the people of our province to Constable Hopkins's wife Ada and two young sons, Stephen James and David John.

No group of people serves our province and its citizens with more devotion and dedication than the men and women of the Ontario Provincial Police and no group is more deserving of our wholehearted support and admiration. The tragedy of Constable Hopkins's death brings home to all of us the sacrifice that our Ontario Province Police officers are prepared to make each and every day to keep this province safe for all of us. I think today it is important that we remember that sacrifice with gratitude as we mourn the loss of Constable Hopkins.

**Mr. Peterson:** Mr. Speaker, I wish to join with my friend in associating our party with the remarks that he made on the death of Officer Hopkins and I would like, on behalf of the members of my party, to express our condolences to his wife and children.

These gentlemen make a valiant effort in the law enforcement area in our province. It is a dangerous job and it brings home to every one of us how they put their lives on the line to maintain peace, order and safety in this province. The family very much deserves our condolences on this very sad occasion.

**Mr. Renwick:** Mr. Speaker, I would like to associate our caucus with the comments made by the member for Wellington-Dufferin-Peel about this mindless slaying and to join with him and all members of the House in expressing our condolences to the late officer's widow and to his two sons, Stephen and David.

## POSSIBLE BUDGET LEAKS

**Mr. T. P. Reid:** Mr. Speaker, on a point of

order: I am sure I will have the full attention of the Treasurer (Mr. F. S. Miller) because it relates to an article in the Toronto Star today. On the masthead of the Star in big black letters, as I am sure the Treasurer has seen, is the following, "Budget to offer no-interest home loans: Builders."

This article is fairly explicit relating to what matters may or may not be in the budget which will be brought down by the Treasurer on Thursday night. The information provided is quite detailed. It mentions there is going to be a \$7,500 interest-free loan to first-time buyers of new homes and it goes on with further details. We on this side are, of course, quite happy to hear that the Treasurer is finally stirring himself to do something, but there is a long tradition in western democracies that budgets are to be kept secret, or certainly the details thereof. This is obviously a serious matter.

**The Acting Speaker (Mr. Cousens):** Is this matter better brought up in question period?

**Mr. T. P. Reid:** No, Mr. Speaker. This is a point of order that relates to the very functioning of this assembly and the procedures we have followed over the years.

Last year, the now Minister of Health (Mr. Grossman), affectionately known then as Larry the Leak, also indicated to the press certain matters would be in the budget. I think it is incumbent upon the Treasurer to comment, and I would have thought he would have addressed himself to this article in the Star without being prodded by me.

I trust he will rise in his place to tell us how this news was leaked and if it is true or not true. I presume if it is true the Treasurer will do the honourable thing, as some of his predecessors have done, and resign if there has been a budget leak before the budget is brought down Thursday night.

**Hon. F. S. Miller:** Mr. Speaker, the time before each budget is full of rumour; that is a rumour.

**Mr. T. P. Reid:** Helped along by your own sweet self.

**Hon. F. S. Miller:** Not at all. There were many rumours in the weekend press as to what would



be in the budget. Until such time as I bring that budget down, the member will not know whether the rumour is founded on fact or not.

I would like to point out one thing. Perhaps unlike the federal government, we talk to a lot of people and ask them for advice in advance of preparing a budget. It is possible some of the people we have asked for advice have assumed that because they gave us advice it was taken in total, as they would like it to be done. I would suggest that the member not jump to conclusions until such time as I unveil that budget.

**Mr. Foulds:** Mr. Speaker, the Treasurer has not allayed the fears that have arisen in so far as the specifics of the article are concerned. Can the Treasurer categorically deny the content of the story? For example, can he concretely and specifically deny that \$75 million to \$100 million for the home ownership aid program has been budgeted?

If he cannot, will he take the step of resigning if such a specific piece of information about such a specific budgetary matter has been leaked and has become public knowledge? Surely that is not asking too much, in so far as the Treasurer and the government will not take the opposition members of the Legislature into their confidence before the budget yet this kind of specific information does seem to be getting out.

2:10 p.m.

**Hon. F. S. Miller:** Again, the member assumes that every rumour he reads is correct.

**Mr. Foulds:** Can you categorically deny it?

**Hon. F. S. Miller:** I would be foolish to confirm or deny any rumour at any time, because by denying one I cannot then say to the next one, "Well, I cannot deny it," and therefore confirm it. The member is an old school teacher and he knows the rules of the game. He knows the rules of logic, I hope, even though he does not apply them.

## STATEMENTS BY THE MINISTRY

### TAX GRANTS FOR SENIORS

**Hon. Mr. Ashe:** Mr. Speaker, I am pleased to announce to members that today the Ministry of Revenue mailed some 543,000 interim Ontario tax grant cheques totalling nearly \$147 million to eligible senior citizens throughout the province. These cheques were mailed to all seniors who received a 1981 property tax grant and is equal to half of last year's grant plus a \$60 temporary home heating grant. The maximum

possible value of each cheque is therefore \$310 and the average cheque is approximately \$270.

Members will be aware that early last week a comprehensive information kit providing full details about this mail-out was distributed to the Queen's Park offices and constituency offices of all members of the provincial Parliament. This advance distribution of support material is part of a broader initiative to enhance our service to all MPPs through the ongoing provision of up-to-date Ontario tax grant program information and a faster response time for constituency office inquiries received by the ministry.

Such measures as an OTG information bulletin system, the assignment of a specific ministry contact person for each constituency office and an expanded telephone capacity by August of this year should provide material improvement in Revenue's ability to service members and their constituents. I should also add that paid information support in the form of weekly ethnic and daily newspaper advertising, as well as radio advertisements this week, should serve to reduce the number of potential inquiries associated with this morning's mail-out.

My ministry is well aware that many inquiries about the Ontario tax grant program are channelled through constituency offices. As I have remarked in the past, I again offer my personal thanks for the invaluable assistance provided by MPPs and their staffs.

### AGREEMENT FOREST PROGRAM

**Hon. Mr. Pope:** Mr. Speaker, it is my pleasure today to table a new publication of my ministry entitled *Evergreen Challenge—The Agreement Forest Story*. This is the first official document published about the province's agreement forest program, from its inception in 1922 to the present.

A detailed narrative, it covers the founding of the program 60 years ago, its objectives, achievements and mode of operation. The book is intended for distribution to agreement holders, to the general public and also to schools, universities, libraries and to the staff.

If I may, I will briefly explain the purpose of this agreement program. Each agreement is a partnership between my ministry and the land owner. The owner leases the land to the ministry, which in turn manages the land for forestry purposes. This means the production of wood and wood products, the creation of suitable wildlife habitat, protection against flooding and erosion, protection of water supplies and areas for recreation.



The program was the province's answer to the crying need for reforestation in southern Ontario back in the 1920s. Early settlement and timber operations in the 1800s had resulted in the depletion of pine forests and had turned large tracts of land into waste lands.

In 1921, the Reforestation Act was passed, which enabled the Minister of Lands and Forests to enter into agreements for reforesting, developing and managing the depleted lands.

The following year, the first agreement was signed with Simcoe county and now in Simcoe county 281,114 acres are being actively managed. I am proud to say that this is the largest agreement forest in Ontario. Simcoe county has been named the forestry capital of Canada for 1982 by the Canadian Forestry Association. Last Tuesday, a day-long outdoor celebration for the media and the public took place at Hendrie Forest, near Midhurst, to mark that special anniversary.

As the agreement forest program became broader in scope, an increasing number of counties joined the agreement family. Eventually the program grew to include conservation authorities, townships, regional municipalities, the government of Canada and industry. Fifty-eight agreement holders now have about 272,000 acres of land which is being managed for various forestry purposes, as well as forest research studies, outdoor education, tree improvement and youth activities.

I am certain that the members will find this publication a most interesting narrative. I am most pleased to table it for their information this afternoon.

#### PITCH-IN ENVIRONMENTAL CAMPAIGN

**Hon. Mr. Norton:** Mr. Speaker, this afternoon I wish to remind the members of the major environmental event which is taking place this week from May 10 to May 16. It is the province-wide Pitch-In campaign, a spring cleanup and beautification program which is being staged by the 28,000 members of the Ontario Federation of Anglers and Hunters. Pitch-In is supported and endorsed by my ministry and by the Ministry of Education on behalf of the government of Ontario.

The Federation of Anglers and Hunters first introduced Pitch-In as a province-wide environmental cleanup project in 1980. My ministry provided major support in the development of promotional materials, advertising and some financial assistance. The first Pitch-In Day made a significant contribution in enhancing

those areas of the province which did not have the benefit of regular cleanup and collection services.

In one area where 13 federation clubs did a superb organizational job, 4,650 people were involved, 19,830 man-hours were devoted, 5,500 garbage bags were used, 950 returnable bottles were taken back and 450 miles of road, stream and lakefront were cleaned as a result of the 1,000 tons of garbage collected. We are pleased to assist again this year in what we expect to be an even more successful program. Environmental projects are being mounted by close to 1,000 individuals groups, which include federation clubs, service clubs, schools and church groups.

Friday, May 14, 1982, has been declared Pitch-In Day. Any school wishing to participate in the campaign, either during the week or on Pitch-In Day itself, has been endorsed by the Ministry of Education. The main thrust of the program is that pitching-in need not be expensive or time consuming. All that is required is an awareness of the need to keep our environment healthy and free from debris. Special garbage bags have been supplied to the Federation of Anglers and Hunters by Shell Canada Ltd. Groups which participate will receive certificates in recognition of their involvement.

**Mr. G. I. Miller:** On a point of privilege, Mr. Speaker: I would like to point out to the minister that this was a bill we brought in back in 1979 and we really feel it is doing a worthwhile job on behalf of Ontario. Perhaps it could be extended to the Minister of Transportation and Communications (Mr. Snow) and the Minister of Natural Resources (Mr. Pope) to broaden the field.

#### ORAL QUESTIONS

**Mr. Peterson:** Mr. Speaker, let me congratulate the Minister of Natural Resources (Mr. Pope) on the new publication he brought out to today. What this government needs is more publications. I am disappointed that the minister's picture is not in it. Has the minister seen the newest one of Industry and Trade—a nice soft-focus photograph taken by the local Playgirl photographer? That minister is getting ahead of him.

#### BILD PUBLICATION

**Mr. Peterson:** Mr. Speaker, I have a question of the Provincial Secretary for Justice with respect to another ministry brochure, the Board of Industrial Leadership and Development document, which I am sure you are familiar with. It



is titled, This is What Was Done in the First Year.

I am sure the provincial secretary is aware of the policy of separating the judicial system from the politics of this province and that he wants to keep politics out of the courtrooms. Is he aware that this document is being distributed through a massive display at both entrances to the courthouse in London, Ontario? Why is he allowing the courthouses to be used to spread this kind of political propaganda?

2:20 p.m.

**Hon. Mr. Sterling:** Mr. Speaker, this particular area falls under the Attorney General (Mr. McMurtry). However, I do not think that particular document is political propaganda. It is a document pointing out the accomplishments that the BILD committee of cabinet and this government have achieved in the last year. It is the member's interpretation that this document is political. I guess that points to the fact that we have been very successful with the BILD program in the last year. I think the wider the distribution of that document the more optimism Ontario will have in the future. In no way, shape or form could it be interpreted in that particular way.

**Mr. Peterson:** This was the cornerstone of the Conservative Party's election campaign. It is what the party ran on, and it is clearly Tory propaganda. Everyone with knowledge will question the efficacy of the program. The minister is using it to justify his existence and now is using court buildings to distribute the document. Surely, as Provincial Secretary for Justice responsible for the entire policy field, he should have some scruples and should insist on the withdrawal of this from the courthouses of this province.

**Hon. Mr. Sterling:** The committee which I sat on before I was Provincial Secretary for Justice, has expended over \$675 million in the last year on behalf of this government. If success of a government program is ever indicated by the resources we spend on it, surely the BILD program is one. How can the Leader of the Opposition possibly paint it as just being a political ploy? It is the key to our industrial future. The Urban Transportation Development Corp., transportation, all the things that are included in that particular document are significant achievements for this province and for this government. For the member to indicate this is nothing but a political sham is ridiculous.

**Mr. Foulds:** Mr. Speaker, as the minister is so sanguine and so supportive of having the BILD document circulated through the courthouses of this province, will he now go on record as being so supportive and so sanguine as to distribute through the courthouses of this province his freedom of information bill?

**Hon. Mr. Sterling:** Mr. Speaker, once that document becomes public and the cabinet has dealt with that issue, I certainly will.

**Mr. Peterson:** The minister knows very well this was a part of the Conservative revitalization assistance plan—he can use the short form if he prefers—but was it his intention when he put this into his courthouses to have a little piece of delicious irony in that people could see this on their way to the registrar when they filed their bankruptcy papers in this province?

**Hon. Mr. Sterling:** I have no response to that question.

#### SPADINA EXPRESSWAY

**Mr. Peterson:** I have a question for the Minister of Transportation and Communications. He has been deeply involved in the whole Spadina question, as I know you are aware, Mr. Speaker. The minister will recall that he said in his letter of March 4, and I quote, "If for any reason this agreement is not executed by May 1, 1982, the minister will immediately initiate expropriation procedures to acquire the Spadina lands." It is now well past that date. Why has he not acted on that? Has he been mugged in the corridors of power by the henchmen of the Premier (Mr. Davis)?

**Hon. Mr. Snow:** No, Mr. Speaker.

**Mr. Peterson:** Perhaps he will enlighten us as to what did happen. Why does Paul Godfrey have more influence in these matters with the Premier than the minister has? What is his responsibility? Why cannot we, or the city, take his word at face value, particularly when it is written down in a letter?

**Hon. Mr. Snow:** My responsibility is to implement the consensus of agreement that was reached, I believe in 1975, on the construction of the Highway 400 extension, now known as Black Creek Drive, and to transfer that new roadway facility to the municipality of Metropolitan Toronto in exchange for the Spadina lands.

As the member knows, a major portion of the Black Creek Drive construction is now completed. Contracts are awarded for the balance, it is under construction and the first section of



the highway down to Eglinton Avenue has been transferred to Metro Toronto. The other section will be transferred when the contracts are completed later this summer. It was my opinion we should now complete the agreement by the transfer of the said lands.

I sent a letter to Mr. Godfrey saying this was what should happen. He pointed out to me, in a letter, that he is quite in agreement with the transfer of the lands but this transfer should not take place until the final roadway is completed and the present uncompleted part is transferred, probably in October or November of this year. He has given me his assurance that the lands would be transferred at that time.

Based on that understanding, I felt, and still feel, it would be inappropriate to start lengthy expropriation proceedings when we have a full understanding and no disagreement on the matter.

**Mr. MacDonald:** Mr. Speaker, setting aside the fact that suddenly the minister's deputy, and presumably himself, thinks it is a reasonable proposition to extend these negotiations until fall, since the minister and the Premier are irrevocably committed, I trust, that there will be no extension of Spadina southward into the valley, and since Godfrey is committed to such an extension, why cannot he and the Premier allay the growing fears that that might happen and that commitment will be eroded, by writing a letter and assigning a three-foot strip at Eglinton Avenue so that the fears will be groundless from this point forward? Why cannot he do that and resolve these growing fears?

**Hon. Mr. Snow:** Mr. Speaker, I am sure most members would understand I cannot just write a letter and grant a three-foot strip. First, I have to have title to the land in order to carry out that agreement that we will grant three-foot strips of land; one to the borough of York if it requests it—and I believe it has—and one to the city of Toronto. I cannot do that until I have title to the land. I will not have title to the land until the Spadina lands are transferred to the ministry on behalf of the province of Ontario.

It is for that reason I would like to get on with the transfer of those lands so the final details of the three-foot strips could be decided upon, the leases registered and the matter completed. That will be done as soon as we receive title to the land.

**Mr. Peterson:** The minister is very much aware that there are four loopholes in Metro's suggestion: one, that the entire Spadina corri-

dor would be leased to Metro, thereby precluding the province's ability to grant the city a three-foot strip; two, Metro would be able to build roads in the corridor; three, Metro would have control over the city's ravine lands; and four, the corridor would be returned to Metro unconditionally if the Highway 400 extension was not completed by 1983.

The minister is aware, I am sure, that the Metro chairman does not want to grant that three-foot strip. What makes the minister trust him now? What makes him think he can negotiate it now? What makes the minister think the Metro chairman is reasonable now? What makes the minister think he can reach an accommodation now when he postponed it about nine times in the last seven years and he is making no progress whatsoever?

**Hon. Mr. Snow:** There is no doubt the Metro Toronto chairman will not be granting that three-foot strip. The province will be leasing that three-foot strip to the city of Toronto and to the borough of York once we receive title to that land. The balance of the lands will be leased to Metropolitan Toronto. In case the member is worrying, the highway will be completed prior to 1983.

#### FOREIGN OWNERSHIP IN ELECTRONICS INDUSTRY

**Mr. Foulds:** Mr. Speaker, I have a new question for the Minister of Industry and Trade. Is the minister aware of the very negative and dramatic effects of foreign control and ownership on the electronics industry in Canada? Specifically, is he aware of report of Evans Research Corp. on the computer communications industry and the effect of foreign ownership? Is he aware the study shows that in the one industry alone, if Canada got its fair share of investment in jobs, it would mean 21,000 more direct jobs, more than 2,000 of which would be in research and development; and it would mean \$724 million would be invested in plant and equipment?

Given that information, how can the minister continue his infatuation with foreign investment in Canada and Ontario?

2:30 p.m.

**Hon. Mr. Walker:** Mr. Speaker, I have no difficulty at all in commenting on foreign ownership. From a general point of view, we tend to look upon the performance rather than the point of origin or the nationality of the individual firm involved.



We have found that many foreign firms provide us with a great many benefits. The foreign-owned firms tend to bring a lot of access to technology, a great deal of financial resources and capital investment, not to mention the management skills and access to markets. They also create jobs; that is the kind of thing we look at, for instance, the number of jobs that are created.

**Mr. Foulds:** Is the minister willing to consider the same kind of process in terms of performance of job creation in Canada as he arrived at in the Volkswagen deal? If he does not do that kind of thing and insist on Ontario's and Canada's fair share of the jobs created in the markets sold here in Ontario, the 1980 deficit of \$2.5 billion will grow to \$10 billion by 1986-87. The present trade deficit in microelectronics is now 14 times the size it was just seven years ago. Is not the minister willing to develop a plan for the electronics industry similar to that developed with the Volkswagen arrangement in Barrie?

**Hon. Mr. Walker:** What we apply in the automobile industry is not to be considered a parallel for any other industry. We certainly have a plan. All one has to do is look at the Ottawa valley and the microelectronics centre that is going in there now to realize the kind of plan we have for and commitment to the electronics industry. That is the kind of thing the member should be looking at. He should be touting that today.

**Mr. Wildman:** Mr. Speaker, I have a supplementary regarding the minister's answer about performance and the microelectronics centre in the Ottawa valley. Is it not the case that the performance is the reason for this loss of jobs, that foreign-owned firms imported at double the rate of domestic companies and that 75 per cent of our imports to this country are by foreign-owned subsidiaries importing through intercorporate transactions with the United States? If that is the case, how can the minister continue to have this artificial separation between performance and ownership?

**Hon. Mr. Walker:** Quite easily, Mr. Speaker.

#### DISMISSAL OF CIVIL SERVANT

**Mr. Foulds:** Mr. Speaker, I had a question for the Minister of Education, but since she is not here I will put a different question to the Minister of Natural Resources.

Is the minister now prepared to admit that his ministry was wrong and will he now terminate the grievance procedures between his ministry

and a forester called MacAlpine and reinstate Mr. MacAlpine?

**Hon. Mr. Pope:** Mr. Speaker, I say to the acting leader of the third party that the issues as they have been stated in the media with respect to the MacAlpine firing are not my understanding of the issues. I look forward to the time when I can debate them in this House, which will be after the grievance procedure is concluded.

**Mr. Foulds:** Is the minister prepared to categorically deny in this House that his ministry asked Mr. MacAlpine to fudge the statistics with regard to wood supply in the Black Bay peninsula?

**Hon. Mr. Pope:** I will have that debate with the honourable member after the grievance procedures are completed.

**Mr. Stokes:** Mr. Speaker, can the minister confirm that Mr. MacAlpine is now working for the Ministry of Natural Resources in connection with a tree planting contract in the Port Arthur region? I am sure he will confirm that fact. If he does, how can the minister rationalize the fact that Mr. MacAlpine is not fit to be a regular employee of the ministry and yet he lets a tree planting contract to that same individual because he is the most competent person to do it? How does he rationalize those two positions?

**Hon. Mr. Pope:** Mr. Speaker, the tenders were open to all members of the public who are not employees of the ministry. Mr. MacAlpine, on his own, submitted a tender with respect to a number of contracts and, for at least one of those contracts, was the lowest bidder. Because he was the lowest bidder, he received a contract.

**Mr. Stokes:** And the most competent.

**Hon. Mr. Pope:** The lowest bidder.

**The Deputy Speaker:** It is my understanding that the Provincial Secretary for Resources Development has the answer to a previously asked question.

#### INDIAN BANDS COMPENSATION

**Hon. Mr. Henderson:** Mr. Speaker, last week the member for Halton-Burlington (Mr. J. A. Reed), and about a month ago the member for Riverdale (Mr. Renwick), asked questions with respect to the status of the Grassy Narrows and Whitedog Indian bands. In response to a question by the member for Halton-Burlington to the Premier (Mr. Davis) regarding the delay in the agreement between the Whitedog band and the government of Ontario, from time to time



questions have been raised regarding the purpose of the province's negotiations with the Whitedog and the Grassy Narrows Indian bands, and the status of these negotiations.

First, I would like to remind the honourable members that Ontario entered into the mediation process with the bands as a result of a recommendation of the 1978 report of the Royal Commission on the Northern Environment which urged the government to give special attention to the social and economic needs of those two Indian communities.

While negotiations have been in abeyance for several months with the Grassy Narrows band, provincial officials have continued negotiations in recent months directly with the Whitedog band. Through these discussions, the province has identified numerous economic and social initiatives which are possible under existing legislative authority and in keeping with the terms of Treaty 3. To address the request outlined by the Whitedog band, these initiatives were outlined in detail to the band late last year and subsequently have been revised to attempt to accommodate recent modifications at the band's request.

I believe the implementation of a provincial offer will significantly increase employment opportunities for band members and will address their major social service concerns. Some of the broad land use considerations identified by the band appear to require more time for both parties to develop and review additional options.

I can assure the honourable members that the provincial government is prepared to implement all aspects of its current offer when the band signifies its readiness to proceed. In regard to those land use matters which require further discussion, it is my expectation that the band and the province will agree shortly on a suitable format for continuing negotiations of these outstanding matters.

#### ST. CLAIR REGION EXPROPRIATION

**Mr. Van Horne:** Mr. Speaker, I have a question for the Minister of Natural Resources. Given that the inquiry officer who reported on the expropriation requested by the St. Clair Region Conservation Authority for the Darcy McKeough dam project has described the activities of the authority as bureaucratic bungling, is the minister prepared to take any action to see that conservation authorities in future plan better for expropriation matters?

**Hon. Mr. Pope:** Mr. Speaker, in fairness to that authority, those expropriation proceedings

were taking place at a time when some of our own policies were not as clear as they might have been, for which the ministry has to take responsibility. The report of the hearing officer, who heard a lot of the citizens involved in that committee, came to some correct conclusions in assessment of the situation. Blame should not be totally attached to the St. Clair Region Conservation Authority.

Since the initiation of this project, we have been working to clarify the procedures. One of the areas about which we have been trying to develop a more positive policy is with respect to flood plain easements. The hearing officer's findings have assisted us a great deal.

I think the answer is that we are trying to improve the mechanisms of the ministry and of the various authorities. I hope this kind of situation will not be as difficult for other residents of the province in the future as it has been.

**2:40 p.m.**

**Mr. Van Horne:** I would like to go back to the minister on this word "policy," because the inquiry officer did make reference to the actual purchasing policy as opposed to the other policies for expropriations, etc. On page 78 of the report he indicates that the so-called provincial policy "clearly cannot be described as policy at all."

Given that the minister has made reference to the policy, can we have any understanding in regard to expediting the situation for those people who are affected at present and who have gone through, in their own words and in the words of the officer who heard the case last December, a living hell for the last few years?

Is there any indication that the minister can see the process being speeded up to accommodate these people? Second, can he give us an indication that policy in regard to purchase will be policy and not bungling?

**Hon. Mr. Pope:** We have been working very hard on a flood plain policy in the government and in the ministry over the past year. We think we have a policy with some improvements, which we are on the verge of announcing, with respect to the St. Clair Region Conservation Authority and the McKeough project.

The decision, which adopts virtually all the recommendations of the inquiry officer, Mr. Walker, should clear the air for the local residents. They now know the nature and extent of the easement they have to deal with. We think that, plus the commitment of the St. Clair Region Conservation Authority to get the proj-



ect and the land acquisition finalized, should bring the matter to a head and resolve a lot of the issues that have been outstanding for some period of time. The final decision of the ministry is in line with the wishes of most of the residents in that area, and we are anxious to accommodate them now and get on with the program.

#### COMPENSATION FOR UFFI HOME OWNERS

**Mr. Swart:** Mr. Speaker, in the absence of the Premier (Mr. Davis) and the Deputy Premier (Mr. Welch), I wonder whether the government House leader and Minister of Intergovernmental Affairs could come to his seat.

Even as government House leader, I think the minister must be aware of the colossal indifference his government has shown to the plight of the owners of homes with urea formaldehyde foam insulation. This has been shown by the Premier delaying for months the request for a meeting and in a variety of other ways. For example, no member of the government or even of the government caucus showed up at the rally held here at Queen's Park on Saturday. As a result of that, the home owners' association has asked me to send the Premier this container of urea formaldehyde foam insulation as a symbol of the government's indifference—

**The Deputy Speaker:** And the question is?

**Mr. Swart:** May I ask specifically whether the Minister of Intergovernmental Affairs is aware that the federal government bill to compensate certain UFFI home owners, albeit in a very inadequate way, is scheduled to be debated in the federal House today? Is he aware Mr. Ouellet has stated repeatedly that the bill is inadequate because the provinces, particularly this one, are refusing to accept their share of the responsibility? Will the government immediately notify Mr. Ouellet that it is prepared to reconsider and enter into negotiations for some sharing, even if it is only 25 per cent, of the cost of providing remedial measures and eliminating the serious health and financial problems facing these people?

**Hon. Mr. Wells:** Mr. Speaker, I thank my friend for drawing this to our attention. But I must say that it did not have to be drawn to our attention, as we are very much aware of it. My colleague the Minister of Energy (Mr. Welch), who is not here today, will be happy to answer the honourable member's question tomorrow.

**Mr. Swart:** I should point out that the government has done absolutely nothing to this

date to relieve the problem. Now we are in different circumstances. If the assessment relief pattern started by the assessment review court continues—as it should, because those reductions are deserved—Ontario municipalities will lose between \$5 million and \$6 million annually in revenue from taxation. Does the minister not recognize that over a 10-to-15-year period, this would be enough to pay the government's 25 per cent share of removing UFFI from all homes in Ontario?

Is the minister willing to let the municipalities and the UFFI home owners suffer what they are putting up with at present in the loss of revenues, or is he going to take some action?

**Hon. Mr. Wells:** As I indicated, I will be happy to pass this on to my colleague who has been handling this matter. I realize it disturbs my friend when the minister to whom he wants to address the question is not here, but he will realize it is unfair to expect an answer from a minister who is not here and who has been very intimately connected with the details. I am sure the minister can answer his question tomorrow. The member will just have to wait.

**The Deputy Speaker:** New question.

**Mr. Wrye:** Supplementary, Mr. Speaker.

**The Deputy Speaker:** I think you are a little slow on your supplementary.

**Mr. Wrye:** We haven't even had a supplementary.

**The Deputy Speaker:** I realize that, but no one was standing up. I think it is only fair if you want to go in an ordinary—

Interjection.

**The Deputy Speaker:** The member for Renfrew South.

**Mr. Yakabuski:** Mr. Speaker, I have a question—

**Mr. Wrye:** Mr. Speaker, on a point of order: We have a pattern which we follow in this Legislature in which the party that asks the first question gets a supplementary and then the other party gets a supplementary. When my colleague the member for Welland-Thorold (Mr. Swart) asked a question, I did not rise because I was sure he had a supplementary that he intended to ask. I then rose to my feet to ask a final supplementary on behalf of this party. Apparently you appear to be unwilling to follow the pattern that has been established. Can you tell us what the pattern is?

**The Deputy Speaker:** I appreciate the pattern. As Deputy Speaker, it is difficult to follow



the exact footsteps of the Speaker. I will not get into a long debate with you in terms of how supplementaries should be followed, but it is my understanding that the second supplementary should go to the other party following the first question. No one stood up, so I followed through with another supplementary.

**Ms. Copps:** It was their turn.

**The Deputy Speaker:** All right. First of all, does the member for Renfrew South have a supplementary or a new question?

**Mr. Yakabuski:** A new question.

**The Deputy Speaker:** Then in terms of following rotation and not disrupting the Speaker's ruling, I recognize the member from Windsor-Sandwich.

**Mr. Wrye:** Thank you, Mr. Speaker.

Surely the government House leader, as a member of cabinet, is aware of and has had discussions within cabinet with his colleagues the Minister of Municipal Affairs and Housing (Mr. Bennett) and the Minister of Revenue (Mr. Ashe) about the precedent that was established in the Algoma region, where the assessment of homes with urea formaldehyde foam insulation was reduced by 50 per cent, and the expected cost that there is going to be to the municipalities.

Why is this government not now prepared to move on a province-wide basis to reduce assessments for home owners with urea formaldehyde foam insulation and to compensate those municipalities which stand to lose at least \$5 million if the province does not act?

**Hon. Mr. Wells:** Mr. Speaker, I would redirect that part of the question to my colleague the Minister of Revenue.

**Hon. Mr. Ashe:** Mr. Speaker, this question has been asked several times in the last couple of weeks and the answer is not dissimilar. Contrary to what is indicated opposite—maybe their research into the issue has not gone far enough—so far there has been one set of hearings by the assessment review court on the urea formaldehyde foam insulation issue, namely, in Sault Ste. Marie.

It has been made abundantly clear—I know I made it abundantly clear in answering a similar question some two weeks ago, I think it was—that this was the first of many such hearings and that in itself it did not necessarily set a pattern for other parts of the province. After other areas have been heard in reasonable enough numbers, there may be some indication of a policy on the part of the review court.

I want to stress the inconsistency of the members opposite in this regard. When we were getting assessment dollars for municipalities through reassessments on additions etc., they were the first ones crying. Now when there is talk about reducing assessments, they are once again crying on behalf of the municipalities, which is completely inconsistent, as always, on the part of both those parties.

The issue is very clear. In terms of municipalities losing assessment, they of course set up funds accordingly, anticipating that they are going to lose some of that if they are aware of it. Most municipalities that are passing resolutions in this regard are suggesting quite rightly where the responsibility lies for any refund of taxes lost, and that is with the federal government of Canada, the colleagues of the members opposite.

2:50 p.m.

#### INVESTIGATION OF INVESTMENT COMPANIES

**Mr. Yakabuski:** Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. Can the minister tell us what action his ministry has taken with regard to the allegedly illegal activities of Broker Investments and Broker Retirement Fund of Pembroke and Renfrew?

**Hon. Mr. Elgie:** Mr. Speaker, the honourable member was kind enough to give me notice that he would be asking this today—

Interjections.

**Hon. Mr. Elgie:** Just to avoid the members opposite making some silly remarks, because it is a problem that is of concern to the member and to that community, if it is not of concern to the members opposite they should not listen. They can just sit back and yell, the way they are used to doing.

Interjections.

**Hon. Mr. Elgie:** But if they care about the concerns of people in Renfrew county, they should be quiet.

Interjections.

**The Deputy Speaker:** Order. The minister has the floor.

**Hon. Mr. Elgie:** The Ontario Securities Commission became aware of some problems in those two funds in February and froze their assets towards the end of February. They moved in March to have a trustee in bankruptcy appointed, and the appointment was confirmed



early in April. The exact amount of the losses that may be involved has not yet been determined. The investigation is continuing, and I will be pleased to keep the member informed of what takes place on a regular basis.

**Mr. Yakabuski:** Is it true that the aforementioned companies, or whatever we want to call them, were operating illegally?

**Hon. Mr. Elgie:** That I do not know. I will be pleased to find out that information if I can.

#### PROVINCIAL REPRESENTATION IN OTTAWA

**Mr. Ruston:** Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs in regard to Ontario setting up an embassy in Ottawa. How does the minister explain the hiring of Jodi White, formerly with the federal Conservative Party, who now lobbies for the Ontario government in Ottawa? Does he not feel that it is a conflict of interest for her to represent the Ontario government and a corporate client, the Canadian Petroleum Association?

**Hon. Mr. Wells:** Mr. Speaker, I would like to inform my friend that this government has not hired Jodi White and that we do not have an embassy in Ottawa.

**Mr. Ruston:** Is the minister saying that the Toronto Star of yesterday is lying about what the government is doing? Can the minister explain how the Ontario government has reached the sorry state where, apart from thousands of public servants and 125 elected provincial members, it must hire a corporate lobby to represent our province? Is that not the fault of his government? The people of Ontario miss John Robarts, because when he went to Ottawa they listened to him.

**Hon. Mr. Wells:** For the past couple of years there has been a debate within our ministry as to whether somebody should be available in Ottawa more permanently to provide information to us directly. There had been some discussions with Jodi White about the possibility of doing that part-time for the Ontario government. No contracts have been entered into; no one has been hired.

Certainly if this kind of process were engaged in it would not be in the form of an embassy or an office in Ottawa. I think reference was made to its being the same as the Ontario office in Paris, where Adrienne Clarkson is the agent general. Nothing like that is contemplated, and at this time I cannot tell the member whether

Jodi White might or might not be the person who would do that job for us if we decided that was what was needed.

**Mr. R. F. Johnston:** Mr. Speaker, I was wondering whether this new desire to have more of a national presence by the provincial government has any connection with the intention of the Premier (Mr. Davis) to run federally and whether there is going to be a dual purpose to this office.

**Hon. Mr. Wells:** Mr. Speaker, there is no need for this government to have a greater national presence or, in fact, any greater links with the federal government. On an intergovernmental, nonpolitical basis, this government has excellent channels of communication with the federal government. There is no problem there.

It is just, as my friend knows, that there are a myriad of things going on in a multitude of departments in Ottawa that mesh with things going on here, where certain staff people can be of assistance in providing information and in keeping the flow flowing back and forth and keeping ministers and deputies aware of exactly what is happening. That, I think, would be to the benefit of all the people.

If anything does occur concerning any changes in our positions in staff in Ottawa, it will be to the benefit of the people of Ontario.

#### DAY CARE

**Ms. Bryden:** Mr. Speaker, I have a question for the Minister of Community and Social Services. Is the minister prepared to accept responsibility for what may happen to the more than 200,000 preschool children of working mothers in Ontario who are unable to find licensed day care spaces and who are forced to use unsupervised custodial arrangements where health, fire and safety laws for day care centres do not apply and where the future development of the children may be stunted?

When will the minister bring in a timetable for funding the additional subsidized day care spaces needed to ensure that those thousands of Ontario children are not at serious risk?

**Hon. Mr. Drea:** First of all, Mr. Speaker, I am never going to bring in the timetable the honourable member wants, because she is committed to universal day care, free of charge, starting at less than one year. If she is not, she can just smile at me and repudiate her friends. The annual bill on that would be \$3.5 billion.

Second, in terms of children being at risk, I do

not really think that even the member believes what she said.

**Ms. Bryden:** The minister is producing a red herring by citing the \$3.5 billion for free universal day care in one year. That is not part of our policy. We believe it will have to be phased in.

Will the minister not accept the modest proposal of the Ontario Coalition for Better Day Care for the provision of 10,000 new day care spaces this year as a start towards the target of universal day care by 1990?

**Hon. Mr. Drea:** The answer is no. One of the real reasons it is no is that the member's own party has refused to accept it. Mr. Rae is out hustling for 4,000 or something at the moment, even he has caved in on it.

**Mr. Boudria:** Mr. Speaker, I have a supplementary on the first part of the minister's reply to the member for Beaches-Woodbine.

Is the minister saying he is satisfied with the number of day care spaces we have now? He seemed to be saying in the first part of his answer that the children who are cared for in unsupervised day care right now are not in any way at risk and he seemed therefore to indicate that no change was required. Can he clarify that, please?

**Hon. Mr. Drea:** Mr. Speaker, the honourable member obviously has some difficulty in comprehending me. It is not the first time. I do not really believe that even he believes there are 200,000 children out there at risk.

**Mr. Boudria:** I did not say that.

**Hon. Mr. Drea:** That is what he just asked me in another way.

**Mr. Kerrio:** You have a communication problem.

**Hon. Mr. Drea:** I haven't. I do quite well, my friend.

As the minister, I am really never satisfied with the progress of programs. The provision of day care services in this province is the leading program in Canada. Indeed, we are far ahead of the jurisdictions in the United States.

**Mr. Di Santo:** That's nonsense.

**Hon. Mr. Drea:** Name one that is ahead of us. Name one. My friend the count, you name me one.

**The Deputy Speaker:** Order.

3 p.m.

**Hon. Mr. Drea:** He cannot.

**Hon. Mr. Walker:** He seems to be very silent.

**Hon. Mr. Drea:** Very silent. Apparently what the honourable member wants—because the Liberal Party is refusing to endorse the 10,000 day care spaces, etc; even its titular head in Toronto, the mayor, has scaled down to 4,000—I guess what he wants me to do is to give him an idea of what we are going to commit for next year. If he sees me just before Christmas I will tell him what we are going to do in 1983.

**Mr. R. F. Johnston:** The record needs to be clarified, Mr. Speaker, on a point of privilege or whatever you call it. This minister—

**The Deputy Speaker:** I would appreciate something.

**Mr. R. F. Johnston:** —consistently in the House is distorting figures for his own purposes. My leader, Mr. Rae, has said that we need 4,000—

**Mr. Wrye:** Where is he?

**The Deputy Speaker:** Order. I am having difficulty with that point of privilege, or whatever you call it. I am sorry, you are out of order.

**Mr. Foulds:** On a point of order, Mr. Speaker: The minister was wrong in his reference to 4,000. He misled the House. The figure that Mr. Rae used, the 4,000, applies to Metro. The party was committed to 10,000 immediate places in the province.

**Hon. Mr. Drea:** First of all, if the member wants to send his leader out to some of these things to be a big shot and he cuts the program by more than 50 per cent, then the member must sit here and take his lumps.

Secondly, the original concept of 10,000 was for Metro. He knows it and I know it. Those guys have now bailed out. They are well down below 50 per cent.

#### RENTAL CONSTRUCTION LOAN PROGRAM

**Mr. Sweeney:** Mr. Speaker, my question is to the Minister of Municipal Affairs and Housing and deals with the Ontario rental construction loans. Is the minister aware that these loans of, I believe, up to \$6,000 given to developers, require them to make at least 20 per cent of the units available to the various housing authorities?

Is he also aware that in the Kitchener area, most of these units are not acceptable to the housing authority because the rents are too high, in our community approaching \$500 a month? At the same time, we have 248 families on the waiting list for units and thus far only 11 out of 75 could be accepted by the housing authority. Would the minister explain to us what



the conditions are? The plan obviously is not working?

**Hon. Mr. Bennett:** Obviously 11 out of 75 is not far off the 20 per cent factor that we are dealing with.

**Mr. Sweeney:** The 75 are the 20 per cent that have been offered to the housing authority but they have only been able to take 11 of those because of the price.

**Hon. Mr. Bennett:** I concur with the member's remarks that 20 per cent of the units that are built under the Ontario rental construction loan program are to be made available to the local housing authorities, to try to put people on rent supplement programs into those particular units. The rental factor is established by negotiation, by the ministry people—my people—with the developer or the contractor in that particular community.

About Kitchener specifically, I would be glad to look at the situation and find out whether we have had a turndown as a result of the rental fee. Let me suggest very strongly that if that is so, I will find out who is establishing the rate we happen to be going in at.

Very honestly, the fact about rents in this province, whether in Kitchener or downtown Toronto, are that I do not expect the individual to rent it to the government, on a rent supplement program which is shared 50-50 by the federal and provincial governments, at a loss back to that developer.

I will look into the specific one mentioned by the member if he will tell me which project he is referring to.

**Mr. Sweeney:** Just to impress upon the minister the seriousness of it, I wonder if he is aware of the fact that of that waiting list of 248 families, 162 have total family incomes of less than \$9,000 annually. Would the minister not agree that if the plan his ministry has in operation has any chance of working, there has to be some agreement between his ministry, the housing authorities and the developers, that those units are going to be offered at a rental—however one works that out—that, in fact, the housing authority can afford? Otherwise, the whole program is a sham, and it will never work.

**Hon. Mr. Bennett:** Mr. Speaker, the member is gathering that it will not work because of one particular community. I am not so sure of the all the facts and figures at this time.

Let me say that I will look into it further, but I want to remind this House the decision that is ultimately made has to be one between the

federal and provincial governments, because when one is a partner paying 50 per cent of the cost factor of running the supplementary housing program, then one has to be consulted. Obviously, not knowing the facts in the Kitchener area, going back to the Canada Mortgage and Housing Corporation and our ministry I will be glad to look at it and find out and report to the member.

#### HERITAGE LANGUAGES PROGRAM

**Mr. Foulds:** Mr. Speaker, now that the Minister of Education has entered the House I would like to ask a question of her.

The Saturday, May 8, edition of the Toronto Star quotes the minister as saying, about the Toronto Board of Education's heritage languages program, "There is a very great danger of balkanizing the school system on the basis of language."

Given that the heritage languages program has been and is being run today in 63 schools of the Metropolitan Separate School Board without balkanization, without ill-effect, in fact with very positive effect, and given the research conducted by Dr. Cummins of the Ontario Institute for Studies in Education, and by the former Conservative government of Manitoba, to indicate that the program is a beneficial program, why is the minister opposed to allowing the public school system through the Toronto Board of Education to institute the same program as that implemented by the Metropolitan Separate School Board?

**Hon. Miss Stephenson:** Mr. Speaker, I think the program which is currently run at the separate schools in Metropolitan Toronto addresses, on the whole, about three languages in toto and in most instances one language is provided at one school. It is also separated from an integrated curriculum in a way which would seem to be reasonable in terms of the total education of the children.

What I am suggesting is less than appropriate is the total integration of a heritage languages program into the school curriculum of the children in Toronto boards, particularly in schools where there may be as many as 30 languages spoken by the students in that school. I am concerned that if there were to be integration in order to effect economy and efficiency, the board would require the movement of children from the schools which they ordinarily attend to those schools in which there could be a concentration of one language or another. That

is what I was referring to in the use of the term "balkanizing."

**Mr. Foulds:** In view of the fact that the minister has not yet received or seen the application by the Toronto Board of Education, and in view of the fact that the submission will probably be parallel to the Metropolitan Separate School Board submission, does the minister not think that it was at least premature to raise the red herrings she has raised, to raise the objections she has raised? In view of the fact that the government pays 15 per cent of the total cost of education for the Toronto Board of Education, does she not think that her violent objection and veto amounts to a negation of local autonomy?

**Hon. Miss Stephenson:** No, Mr. Speaker, I do not. That is a preposterous suggestion.

**Mr. Peterson:** Mr. Speaker, why does the minister have to raise a spectre of balkanization or the possibility even of teaching 30 different languages in a school, which she knows is ridiculous? Why can these not be prioritized on a sensitive, integrated basis of need? Why does the minister have to use the extreme case in order to justify her position and put a lot of irrational fears in a lot of people's minds about the whole spectre of this problem?

**Hon. Miss Stephenson:** Mr. Speaker, I believe that I have not raised unnecessary fears in the minds of individual parents. Indeed, the responses which I believe were presented to the Toronto board, as a result of the study which they were examining, would lead me to believe that there are a great many parents who did it without any kind of stimulus or concern expressed by anyone except themselves.

**3:10 p.m.**

It is a fact that in several Toronto schools, as well as some in Peel, North York and Scarborough, the heritage languages group comprises 30 different languages. In some schools it is even more than that. If there is to be any efficiency in the provision of languages programs, the children might have to be sent to other schools.

That is what happens now with heritage languages programs. Many children do leave their own schools to go after school to another school to take advantage of the heritage language program which is offered.

**Mr. Grande:** Supplementary, Mr. Speaker.

**The Deputy Speaker:** Well.

**Mr. Foulds:** You allowed one over there, Mr. Speaker. You have to play fair.

**The Deputy Speaker:** I am having a bad time with supplementaries today, I know. The member for Yorkview.

#### INMATES' ROOM AND BOARD CHARGES

**Mr. Spensieri:** Mr. Speaker, I have a question of the Minister of Correctional Services. As he is no doubt aware, the practice of this government has been to extract from inmates who are serving intermittent sentences sums of \$5 and \$10 per day for lodging while serving the intermittent sentences. Some \$700,000 had been collected from over 2,000 inmates until the provincial court ruled on February 10 that the practice was illegal.

Is the decision of the provincial court judge now being appealed? Has the practice of charging these amounts been uniformly stopped throughout the province? Does the minister intend, if the Court of Appeal upholds the provincial court judge, to refund these amounts on a pro rata basis to the prisoners who contributed?

**Hon. Mr. Leluk:** Mr. Speaker, after the finding on these intermittent sentences, the decision was made not to collect further moneys. The matter is under appeal to a higher court. We will have to wait the decision of that court before we decide what to do.

**Mr. Spensieri:** I would not want the minister to comment on a matter that is sub judice, but would he not concur with our position that the practice of permitting remissions earned by inmates to be lost for nonpayment of these levies is an immoral practice and ought to be discontinued, regardless of what happens to the appeal? In other words, does he not concur with us that the practice of permitting inmates to get remissions on the basis of payments, as opposed to their being deserving of such remissions, is in itself an unconscionable practice?

**Hon. Mr. Leluk:** As the member knows, that decision was made by the courts and not by this ministry. The matter is under appeal and I do not think I would want to comment any further until we have the outcome of the appeal.

#### HERITAGE LANGUAGES PROGRAM

**Mr. Grande:** Mr. Speaker, to go back to the Minister of Education regarding the heritage languages program, is she aware that the board of education for the city of Toronto is asking for her permission to extend the school day by half an hour?



If she is aware of that, is she aware that back in 1977, when the heritage languages program began, the memorandum the then assistant deputy minister, Mr. Thomas, wrote to the school board said, "Such classes"—referring to the heritage language programs—"may be offered after school, or on nonschool days or where numbers justify an extension of the required five-hour school day?"

If this is the case, and if this has been allowed since 1977, why is she now vetoing the heritage languages program with an extension of the school day by the Toronto board?

**Hon. Miss Stephenson:** Mr. Speaker, two matters are being confused in this discussion at the present time. It is my understanding that the Toronto Board of Education is suggesting it would use the additional half hour which it will be adding to its school day to comply with the Education Act which requires five hours of instruction per day. That instruction is to be the curriculum which is provided for elementary school children, and the heritage languages program can most certainly be added to it at the end of the day, during lunch hour, on Saturday or whenever they want to do it. But it is not an integral part of the curriculum for elementary school children.

**Mr. Grande:** I do not understand the fear the Minister of Education has about the figures of 30, 40 or 50 languages she is throwing around. Is it not a fact the Toronto Board of Education has suggested where numbers warrant they will introduce a heritage languages program during the school day? Is she not aware of that?

I do not understand how she can make a grand statement that there is very grave danger of balkanizing the school system when all the indications, from Alberta and the Metropolitan Separate School Board system, and any other part of the world that has had this program, show there is not one hint of balkanization of the public school system. Is the minister expressing her own personal biases or is she speaking on behalf of the government of this province?

**Hon. Miss Stephenson:** The honourable member should be aware that in Alberta there are two languages used at the current time in a program that is not similar to our heritage languages program. In Alberta there are not as many different groups benefiting from the heritage languages program as we have in Ontario. As a matter of fact, we are told with some regularity by emissaries from governments in other parts of the world, particularly from

Europe, that this is the only jurisdiction that is providing the kind of educational diversity the heritage languages program provides.

I would ask those honourable members if, indeed, they can find any other jurisdiction in which the opportunity is provided for young people on the basis it is in Ontario; that is fully funded by the provincial government as an additional program after school hours, provided to the children within their own school buildings, and encouraging so many different groups to begin to understand the value of their cultural and linguistic heritage. It was developed on that basis within this province. It is a rational and very reasonable basis for the provision of that language and cultural program. I believe it should remain that way.

**Mr. Ruprecht:** Mr. Speaker, I would like to ask the minister whether this is her final judgement on this very sensitive issue, or will it simply be an interim decision she has made? Will she consequently promise this House she will come up with a final statement on all the pros and cons so that each of us will know precisely why she has made this decision?

**Hon. Miss Stephenson:** Mr. Speaker, I am not sure that question can be answered at this point. I have been asked for opinions on the concerns that have been raised, and questions about the validity of the argument that has been put forward. I think it is reasonable to respond to such questions. Before there is any final decision, I would have to receive from the Toronto board something I do not have as yet, some resolution recommending the kinds of changes to both policy and legislation I think would be required.

## PETITION

### DISMISSAL OF CIVIL SERVANT

**Mr. Stokes:** Mr. Speaker, I have a petition to present to the Minister of Natural Resources.

I wonder how the Minister of Education, who is interrupting my conversation with the minister—

**Hon. Miss Stephenson:** You hadn't started when I was—

Interjections.

**The Deputy Speaker:** Order.

**Mr. Stokes:** How can the Minister of Education rationalize her intervention with regard to the delivery of educational programming in Metropolitan Toronto when I have asked her to intervene in regard to the closure of the school

in Schreiber and she said that was local autonomy. Why does she not give—

**The Deputy Speaker:** Order. We are on petitions, as the member for Lake Nipigon appreciates.

**3:20 p.m.**

**Mr. Stokes:** Mr. Speaker, now that I have everybody's attention, this is a letter addressed to the Minister of Natural Resources:

"Mr. Pope:

"I applaud and support any effort by the people of our region to protest Don MacAlpine's dismissal from the Nipigon district office.

"The oath of office and secrecy is a heavy hammer to wield and your senior civil servants appear to have used it in a most selective fashion. Mr. MacAlpine did not hand out confidential information; what he did divulge was nonconfidential, and he did not 'go public.'

"His cause, yours and ours would be best served by an open and public review of ministry inventories and forest management practices. No cause will be served by firing the messenger who brings the bad news."

They say further: "We are shocked and outraged at the crass miscarriage of justice evidenced by your choosing to dismiss Mr. Don MacAlpine on March 29, 1982, from his position as unit forester with the Ministry of Natural Resources in Nipigon, Ontario.

"Surely Mr. MacAlpine has the right to refuse to sacrifice his ethics as well as his integrity as an informed forester in the performance of his duties as a public servant. Don MacAlpine should be rewarded for his dedication to protecting and preserving our resources.

"Mr. MacAlpine is a responsible family man. He and his wife Patti are highly respected members of our community. Don has performed well in his job as attested to by his superior . . . who is to be commended for stepping forward in an attempt to clear Mr. MacAlpine's name.

"Clearly, it is the Ministry of Natural Resources that is on trial and not Mr. MacAlpine. We demand that he be reinstated."

This was signed by 1,519 people who live in an area all the way from Schreiber to west of Thunder Bay. I present this for the consideration of the Ministry of Natural Resources.

## REPORT

### URBAN TRANSPORTATION DEVELOPMENT CORP.

**Hon. Mr. Snow:** Mr. Speaker, on Thursday last, the member for Cornwall (Mr. Samis)

requested certain information regarding the Urban Transportation Development Corp. Detroit contract. I assured him I would table these documents today and I am so doing now.

**Mr. Cunningham:** Mr. Speaker, very briefly on a point of privilege: I was under the impression when the legislation permitting the UTDC to enter into bid bonds was passed by this House, that the minister would routinely table these matters before the Legislature so that we could judge these things for ourselves. It was my understanding that it would not really be a necessity for a member of the Legislature, be it myself or the member for Cornwall, to request them.

**Hon. Mr. Snow:** Mr. Speaker, I have a little trouble understanding what the honourable member is talking about, as usual. I suppose if he wanted me to bring in a wheelbarrow load of documents every day I could do so.

## INTRODUCTION OF BILLS

### CITY OF LONDON ACT

Mr. Van Horne moved, seconded by Mr. Sweeney, first reading of Bill Pr1, An Act respecting the City of London.

Motion agreed to.

### PRESCRIBED BURNS SAFETY ACT

Mr. Van Horne moved, seconded by Mr. Sweeney, first reading of Bill 103, An Act to ensure the Safety of Prescribed Burns in Ontario.

Motion agreed to.

**Mr. Van Horne:** Mr. Speaker, the purpose of this bill, which is one I introduced a year ago, is to ensure that prescribed burns be conducted in a safe manner. There is not a member of this Legislature, or the preceding Legislature, who does not recall the disaster at Nakina. This bill is an attempt to bring some debate to the floor of this Legislature so we can make sure things like that do not happen again. It involves a safety officer who would be required to examine prescribed burn sites. It would also require that permission be granted before any prescribed burns take place.

## CONSUMER PROTECTION AMENDMENT ACT

Mr. Van Horne moved, seconded by Mr. Sweeney, first reading of Bill 104, An Act to amend the Consumer Protection Act.

Motion agreed to.



**Mr. Van Horne:** Mr. Speaker, this again introduces a bill I have brought to the House before. The purpose is to provide protection against the sale of stolen property.

Everyone in this Legislature is aware of the tremendous increase in garage sales and flea markets in our province. This bill would require that persons who deal in used goods record the name and address of each person from whom they purchase used goods. A dealer in used goods would be prohibited from reselling the goods for a period of seven days after purchase. In addition to that, where a dealer has reason to believe goods may have been stolen, he is obliged to report this to the police.

#### HAMILTON WEST BY-ELECTION

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day, I would like to inform the House that the Premier (Mr. Davis) has informed me the Lieutenant Governor has signed the writ declaring June 17 as the date for the by-election in the riding of Hamilton West.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I wish to table the answers to questions 64 and 98 on the Notice Paper and the interim answer to question 108 [see Hansard for Friday, May 14].

#### ORDERS OF THE DAY

#### MINISTRY OF INDUSTRY AND TRADE ACT (continued)

Resuming the adjourned debate on the amendment to the motion for second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Mr. Boudria:** Mr. Speaker, it gives me great pleasure to participate in the debate on this amendment and this bill. I happen to represent a constituency that has high unemployment. I hope the minister pays close attention to this because it is a very important problem in our area.

I would like to preface my remarks by illustrating to the House some of the problems we have. I draw to the honourable members' attention an article in one of our local newspapers known as the Vankleek Hill Review. That is one of the important newspapers in my constituency.

The headline says, "Crisis Grows," in great, big, red letters. It talks about the Duplate

workers as they leave their plant. That was just before Christmas when there was a temporary layoff of some of the employees.

There is also a lot more unemployment just across the river in Quebec at the Canadian Refractories plant which is located near Grenville, Quebec. Again, the Amoco plant in Hawkesbury has been under quite a bit of difficulty in the last few years. There have been many layoffs in that area and the situation is just not getting better. As a matter of fact, it is getting worse.

**3:30 p.m.**

We heard only recently that the federal government—and I know the provincial government occasionally likes to bash the feds a bit—has decided to offer some economic assistance to the town of Hawkesbury. Mr. Speaker, you will undoubtedly know that Hawkesbury is very far from Queen's Park. Sometimes it seems to be so far away that the town of Hawkesbury and this area just do not get the kind of attention I would like to see given to them.

The Department of Regional Economic Expansion of the federal government has decided to give assistance to the town of Hawkesbury, and the town has also decided to send a letter to the minister. I wonder if the minister has already seen it; it was sent to him last week. For his benefit, in case he has not seen it, or in case it should just be shuffled down the paper pile by people in his office, I will ensure that the minister has firsthand knowledge of it by reading the letter into the record. It is addressed to the Honourable Gordon Walker by the corporation of the town of Hawkesbury. It says:

"Dear Sir:

"As you know, the town of Hawkesbury, along with the municipalities of Vankleek Hill, L'Orignal, Hawkesbury West and Longueuil, were recently designated as a special zone under the Canadian industrial renewal program. The council of the town of Hawkesbury at its regular meeting in April expressed its appreciation to the federal government for responding to our call for assistance.

"During that same meeting council passed a resolution asking if the government of Ontario also intends to respond with assistance in one form or another following our representations to your ministry in recent months. Council is encouraged by the recent designation and is hopeful that through participation of both senior levels of government and its own initiative at the local level we can overcome our present economic difficulties.

"We would therefore appreciate it very much if you would re-examine our request and communicate your intentions to us as soon as possible."

The letter is signed by the mayor, Mr. Laurent Cayen.

I draw this to the minister's attention because it is very important in my riding. The minister may know that unemployment in my constituency, especially in the east end of my riding, probably approaches something in the order of 20 per cent. That is a very difficult situation and I hope the minister will address himself to that.

I wonder if the minister can hear me with all the noise behind me, Mr. Speaker. I hope you will eventually try to calm this Legislature down.

**The Deputy Speaker:** At the request of the member for Prescott-Russell will the member for Etobicoke (Mr. Philip) be just a little quieter? He is not even listening to me. I am sorry.

**Mr. Boudria:** Thank you, Mr. Speaker. I am glad you brought this to the attention of the member for Etobicoke. I had a hard time understanding myself while I was talking.

**Mr. Martel:** I can understand that.

**Mr. Boudria:** I thought I was talking fairly loudly, but perhaps the member for Sudbury East, who was also busy talking to another member, could not understand me either. I can understand that.

**Mr. Martel:** If you can't understand yourself, how can you expect the rest of us to understand you?

**Mr. Boudria:** Mr. Speaker, I would like to continue briefly making some other remarks to the minister. I draw the minister's attention to an article in the Ottawa Citizen of April 14. The Ottawa Citizen qualifies the Board of Industrial Leadership and Development program in the following way, "Well into its second year, Ontario's BILD program still faces an uncertain future." It goes on to describe all the problems there are in BILD, and it describes the many ways in which it is merely a rehash of older programs the government has.

Many of us think the BILD program has not been particularly effective. We believe it is a rehash of some older programs, and it is very difficult to qualify for anything under BILD. I have a case of a meat packing plant in my riding. It is called St. Isidore Meats. They have applied through the Ministry of Agriculture and Food because that is the mechanism by which one

applies for a BILD grant that relates to agriculture.

I was initially told by the former Minister of Agriculture and Food (Mr. Henderson) that their project, based on the information I gave to him, was exactly the type of program BILD was looking for. That information was also repeated to me by the deputy minister, Mr. Duncan Allan. For the present minister's information, that is in the record under the budgetary estimates of the Ministry of Agriculture and Food of last year.

It took six months for officials of the ministry to identify that St. Isidore Meats did not qualify for a BILD grant because it was not a processing plant; it was a slaughtering and packaging plant or something like that. Those technical points are very difficult.

We desperately need that kind of facility in our area. We had interested parties willing to build it. They have a certain amount of capital they are willing to invest. Yet we see that the government assistance we think is there really is not there when they need it. That is very unfortunate. I do hope the minister, in his new ministry, will attempt to make those programs a bit more flexible so more people can apply.

The other day I listened to the member for Cornwall (Mr. Samis); I see him in the House at this moment. He had some very interesting things to say on the bill, especially as it pertained to some of the problems we have in eastern Ontario. I share many of the concerns raised by the member.

**Mr. Philip:** Do you have beer in the ball park in eastern Ontario?

**Mr. Boudria:** No, we do not have beer in the ball park in eastern Ontario, but that is an interesting point and it does relate in a way to what we are discussing today. Many of our tourist establishments and many of our local places of employment in eastern Ontario are losing a lot of money because of the very strict government policies pertaining to liquor licensing. I know that does not really pertain to this particular ministry, but it does have an effect on business and employment in our area.

One cannot help but feel that because of all our dollars which are exported to Quebec and to New York state on Saturday night and Sunday, somebody has to be losing something in that process. When our bars close at one o'clock and most of our establishments are closed on Sunday, or they are open in a way that makes them almost totally ineffective, all those dollars are going to neighbouring jurisdictions. On Satur-



day night we can stand at the international bridge crossing from Cornwall to Massena and witness that. One can see it in Hawkesbury going to Grenville or from Ottawa going to Hull.

It is not just a coincidence that all hotels within 10 miles of the Ontario border on the Quebec or New York side are doing great business and ours are folding. That has to be more than coincidence.

The minister in the past has been known to be somewhat noninterventionist and not too prone to change in that regard. At least I have been told the minister is that way. If he is changing or if that is not the case, I hope that through his input with the rest of his cabinet colleagues he can help in a small way to improve the economic situation of our area and many others. I do not think those policies are doing anything for our tourist industry and many related industries such as travel and so forth.

A few minutes ago I was about to describe the contents of the Ontario Business News, May 1982. It has been raised in the House by many members. I am sure the minister has heard remarks on it. He is probably wondering what we are going to say this time about this publication.

It is the quote from the minister that puzzles me somewhat. It says: "For Mr. Walker the replica of the typical street vendor 'says it all about the free enterprise system. . . he does his own thing, his entire factory is on his box of wheels and he is not encumbered by rules and regulations.'" We read further, "Mr. Walker does not care so much where his investment comes from—although he would prefer it were Canadian."

On the first quote, I tend to differ from the minister. I accept that he is a strong proponent of private enterprise and I do not have much problem with that. That is okay.

**3:40 p.m.**

What disturbs me is the fact I believe a lot of regulations are sometimes required to ensure that small businesses are offered a fair area to compete in the marketplace and that the little guys are not just trampled by the larger ones. That is very important. I am wondering how these remarks could be made in that context and I hope the minister clarifies that.

It is very important to assist and to protect our small and medium-size businesses from the giant companies. Speaking of those giant companies, I would refer to the second remark, that the minister does not really care where the

investment comes from although he would prefer it were Canadian.

Again, that is a very troubling thing for my area. The minister may remember my raising in this House the case of the Amoco plant in Hawkesbury that at one time had some 400 employees. Amoco is a subsidiary of Amoco of the United States, which is a multinational oil company. The plant in my riding, a textile plant, is a subsidiary of Amoco Oil, and all are owned by some company in Pennsylvania.

It is quite evident to everyone in my area that decisions to shut down that plant or to slow it down are never taken with any kind of a local context in mind. They are taken for whatever is best for the head office in the US. This is really puzzling. Amoco was given a grant by the federal government a few years ago to build the plant in Hawkesbury. I believe it was in the late 1960s. Some 10 years later, Amoco was given another grant by the federal government to build a similar plant in Cornwall. Now we see that the plant in Cornwall is not really laying off. As a matter of fact, for a while it was expanding at the same time as the plant in my riding was losing employment.

I really have to question whether Amoco is shutting down one plant to take advantage of a grant offered by the federal government in another place. I believe those kinds of things may be happening in my area and those are the kinds of instances that should demonstrate to us why it is important to have a policy of strong Canadian ownership of our industries.

I accept the fact that the minister says we need foreign investment—and perhaps that is not exactly what he said in the letter—but as a matter of policy I would hope he would attempt to get more Canadianization; and in the process I hope we do it in a very good and meaningful way, not the way we have seen the government more recently with the acquisition of Suncor.

Imagine how many jobs could have been saved by investing in industries here in Ontario; how many jobs we could have protected. I have been told there was only one job created by the acquisition of 25 per cent of Suncor and it is rather disturbing to spend \$650 million per job.

I understand there is other rationale behind that, to have a window on the oil energy forum and those types of things, but I wonder how we will achieve that with 25 per cent ownership of a company which is not even making money. As a matter of fact, it appears to be losing money.

Our party is very disturbed by the priorities which the government has displayed in the past.



I know the minister is said to be one of the heavyweights in the cabinet and I hope he can reverse some of what I would consider to be irrational decisions taken in the past. With the interest that he has, I hope he will put those kinds of funds, or that \$650 million, towards more meaningful things. I trust he will be able to do that.

I also have with me a copy of the Ontario Development Corp. annual report. I placed a question on the Order Paper roughly a month ago asking just how much it cost to produce that document. I received an interim reply a week ago, stating it would take until May 13, I believe it was, before they could determine exactly what this publication cost; which is a bit unfortunate as I would have liked to have been able to include it in my participation in this debate today.

I have examined this document very thoroughly and I really wonder if the kind of money that is spent on these publications is absolutely necessary. I want members to see this other report as well, which is a report from the federal Department of Regional Economic Expansion. It should be noted that it does not have any glossy pages or anyone's picture in it. It is just a black-and-white, very standard type of bound report with a soft cover. It is not what I would call an expensive document.

I was a purchasing agent before I came here and I will refer to some things that involve purchasing a little later on. In my previous incarnation, as my House leader usually refers to it, I purchased documents like this and I know that even though this document is three times the size—being a federal document it has to be a bigger document—and although it is very thick and large, it did not cost nearly as much as the one published by the government of Ontario.

I am sure, Mr. Speaker, you have received one of these documents in your office. The photograph of the minister is excellent, I must admit that. My wife had a look at it and said "This is an excellent shot of the minister." I thought I would bring that to his attention.

**Hon. Mr. Walker:** Would you send that over so I can autograph it?

**Mr. Boudria:** Okay, I will send it over and perhaps the minister can autograph it for my wife. She will be glad to see that.

This document is just page after page of coloured photographs and glossy paper. I fail to

see exactly what showing two people sitting down and looking at a piece of paper can do in so far as jobs in Ontario are concerned. I do not understand where the priorities are. I am also looking at the document which has a picture of a welder on it. A welder is very important, but having a picture of one in that book is not going to accomplish much.

I suggest that if this document cost \$25,000 to produce and could have been produced on ordinary paper for \$10,000, the other \$15,000 could have been put out there to create real, meaningful employment instead of what is just a make-work program that advertises coloured pictures of Conservative cabinet ministers. It is not the kind of priority to which I feel this government should be addressing itself.

A moment ago I was talking about purchasing. Members may recall that last Thursday I spoke on a private member's resolution which was brought into this House by the member for Cambridge (Mr. Barlow). I am sure he will recall my participation in the debate.

I have here a copy of an interesting booklet that was distributed, courtesy of the member for Cambridge, which says "Jobs for Cambridge" and "Buy Canadian." Certainly there is nothing wrong with buying Canadian. That is what we should all be doing. I am sure the member for Cambridge shares my view. As a matter of fact, that is why he introduced the resolution.

Maybe what the member did not know is that this government is not setting a very good example as far as buying Canadian is concerned. If one takes a quick tour of our offices or looks at our desks in the Legislature, there is hardly anything that is Canadian. Even the glass I am looking at is a Libbey glass made in the United States.

**3.50 p.m.**

Those are the kinds of things the government should be addressing if it wants private enterprise to buy Canadian, if it wants citizens to buy Canadian cars and if it wants them to be conscious of that. There should be a strong emphasis on the part of the government to achieve that. It was absolutely ridiculous to bring the kind of resolution the member for Cambridge brought into this House last week at the same time as the government was distributing pens that say on them "Paper Mate. Made in USA," along with the logo of Ontario.

How can anybody take the government seriously in what it says is its buy-Canadian policy?



How can the minister stand there and tell people, "Look folks, buy a Canadian car, buy a Canadian washing machine or a Canadian what-have-you and, by the way, why don't you sign this with my American pen"? How can anybody be credible with that kind of approach? It is not because companies that manufacture office supplies do not exist in this country. They are all over the place and most of them are located in this city. Few of them are in the city of Cambridge.

The example I used of the government of Ontario owning a Toyota lift truck to lift skids in its warehouses in the area east of Bay Street is absolutely incomprehensible. Those things are manufactured right here in this country if the plant has not closed down yet. I understand it was under some duress last year. I believe it was the Allis-Chalmers plant. I do not remember what city it was in but it was in southwestern Ontario, probably in Brantford. I do not know whether it is still operating, but that unit has been there for a couple of years now.

Nevertheless, I am of the opinion we should put a much greater emphasis on this. I know there is something like a 10 per cent premium permitted for buying Canadian right now. Perhaps the minister should look at increasing that proportion upwards from 10 per cent. Ontario surely is a large buyer in this country and 10 per cent does not seem to be much of a premium to buy Canadian over imported goods. I am speaking for myself. I have not caucused this idea with my colleagues. I suggest that 20 per cent would probably be a more realistic figure.

There are studies that determine right now that one is better off to buy Canadian even though one pays something like 76 per cent more. I do not know how accurate those studies are. Probably the national government could afford to pay a higher premium because its interests are for the whole country, whereas in this case the government might not think it is of benefit to buy something which costs 30 per cent more when it comes from another provincial jurisdiction.

I do not know how the government calculates that particular position, but I suggest that 10 per cent does sound like a very low figure. As I said previously, we do buy many things. I was using the example of those bags of wood chips that were used on the front lawn of the Legislature. We had a school bus full of children. They were all here in the galleries a while ago. They walked outside and saw Greensboro, North Carolina, on the bags of wood chips. How can we sit here

and show an example to future generations by doing things such as that?

I must tell the minister I was very happy to find that the flag of Ontario in my office is made in Canada. It is really a laudable thing that the flag should be made in this province. Unfortunately, not much else in my office was. I hope in the near future the government addresses itself a little more seriously to those kinds of things.

I would like to talk briefly about our youth in this province. The member for Kitchener-Wilmot (Mr. Sweeney), the member for Essex South (Mr. Mancini) and I are on a task force at this moment on youth unemployment. Before you bring me to order and ask me what this has to do with this bill, Mr. Speaker, I will be right with you in a moment. The purpose of this task force is to determine who is unemployed and why and, of course, to determine what job-creation opportunities there are. In order to do this I believe we have to expand our manufacturing sector, because that is primarily where job opportunities are found in this province. You can see, Mr. Speaker, this ties in very much.

The members for Kitchener-Wilmot, Essex South and I have been travelling this province, and it is almost shocking to see the conditions some of our youth are living in and what they have to look forward to. It is very sad to see that someone who is 19 years old and has been out of school for two or three years has been looking for work almost every single day, has occasionally found short-term employment at McDonald's or something and for the rest of the time has been without any kind of employment. Looking ahead to the future for many of those youths it just does not look as if they will ever have any kind of meaningful employment.

That is a very saddening thing to see. It is not the kind of opportunity I had when I left school, and it is not the kind of opportunity I want my children and everybody else's children to have when they leave school to enter the job market. I hope they will have some of the opportunities that were given to me — not that those opportunities were that great, but at least I could go and apply for and find a job within a reasonable period of time after I left school.

As I say, young people right now have no employment and they are competing against older workers. The situation is that if an employer is looking to hire someone and two or three people apply there may be one person who is 57 years old, one who is 33 and one who is 19. Most employers will take the person who is in his thirties. What happens here is that our youth are not getting any employment, and in many cases our older citizens are now on welfare because they cannot find employment either and they



have not yet reached the age at which they can draw old age security. That is very unfortunate.

Mr. Speaker, I have an article here from *Le Carillon*, a newspaper in Hawkesbury. I will read a few excerpts from it, and you will be very interested in hearing this, I am sure.

"Situation inquiétante à Hawkesbury: Les jeunes désertent, par Céline Jalbert.

"Il vaut mieux s'en aller, il n'y a pas d'emploi ici."

"C'est la réaction qu'ont plusieurs jeunes de la municipalité au sujet de la situation qu'ils vivent à Hawkesbury.

"Plusieurs d'entre eux ont soutenu que sans relations, il est quasi impossible de se trouver un emploi. 'Si tu n'as pas de grosses relations, tu ne peux entrer nulle part,' de réitérer Yvan Farmer, 21 ans. Un jeune travailleur qui a préféré garder l'anonymat a de plus affirmé qu'il n'y avait pas d'avenir à Hawkesbury. 'Le centre d'Emploi essaie de t'aider mais à chaque fois que j'ai réussi à me dénicher un emploi ce n'est pas par le biais du centre que je l'ai obtenu,' commente-t-il.

"Bien que quelques jeunes se soient dits prêts à se déplacer pour trouver de l'emploi, il semble que cette opinion ne soit pas partagée par la majorité. En effet, le gérant du centre d'Emploi à Hawkesbury, M. Jim Stubbs, a fait savoir que peu de jeunes veulent aller travailler à l'extérieur."

This is very important. Our youth are not really willing to leave their homes and expatriate themselves in order to find employment, but in many cases they have to do so. Our party in the last election was telling the people of Ontario that our youngsters are leaving at something like the rate of one every 17 minutes.

4 p.m.

**Mr. Cunningham:** It is faster now. Wait until the budget.

**Mr. Boudria:** When the budget comes down, they may leave at an even faster pace, because the opportunities will be even fewer than they are today. That is a really unenviable situation. The task of the minister is also unenviable. He is going to have his work cut out for him. It is not going to be an easy task for him in the next few years to create opportunities for employment, not only for our youth but also for workers of all ages.

Perhaps the reason I stress the youth area is that I have been travelling on the task force lately and some of the things we have seen are really shocking. After a visit to one of the youth employment services, I could hardly sleep that

night because of some of the things I saw. I know I come from a different milieu from Toronto—I come from a rural area, which is very different—but we met children of 16 and 17 who have not had a home for the past four or five years.

I have never met such people in my life, although I have seen them on television. I found that very disturbing. I said to myself: "What is this province coming to? This used to be the province of opportunity." We even had that on our licence plates until a few years ago when the government decided the opportunities were getting so bleak that the wisest thing to do was to remove it from the licence plates and hope that people would forget it was ever there.

The situation we have now is bad, and the Conference Board of Canada is saying it will probably get a lot worse before it gets better. I am sure the member for York Centre (Mr. Cousens), who is the acting Speaker, representing a riding here in the local area—I say local as opposed to a riding not very far away, such as the one I live in; he represents a riding that is closer to this Legislature—must be having some of the problems my colleagues and I witnessed on this task force in this area. I am sure you, sir, in your nonpartisan way, agree with me when I say that opportunities for our youth are very limited.

Nevertheless, I will conclude my remarks and wish the minister every bit of success in his new portfolio. It is a very wide-ranging area the minister has to work with.

I will read clause 3(a) of the bill, which identifies one task of the minister as follows, "stimulate income opportunities through the effective development of industry and trade in goods and services."

That is a very important mandate. I am sure when the minister read this bill himself he could not help but agree that this is probably the most important task he has ever had in his life, especially in view of the economic situation that exists now. It was not so important to create new opportunities a few years ago when practically everyone was employed, but now that the situation is the way it is, the minister's role is not a nice one to have. It becomes very important, and lack of attention in this area could have very disastrous side effects.

The social problems that are developing right now in this province are mind-boggling. Some of the things we see, such as the crime rate increasing, the delinquency and all the other situations we witness, are very alarming. It is



through the careful attention we all hope the minister will give to this ministry that employment opportunities will be created. I hope that will create not only an economic change in this province but also, ultimately, a social change. That social change, of course, is even more important, because we can live without many things but we have to live in the good and orderly society we have been brought up in. That is why we would want our children to have those same kinds of situations as well.

The role of the Ministry of Industry and Trade, as I understand it now, will not have anything to do with the Ministry of Tourism and Recreation. I would like to say that we, as a party, have always favoured the two ministries being separate. The Ministry of Tourism and Recreation, as I outlined in the beginning, is very important in our area. Having a minister who will be able to concentrate on that area will, I hope, make it much more effective. I hope the minister responsible for tourism will give it strong attention as well.

In his role as Minister of Industry and Trade, I am sure the minister will recognize that we have a very important high-technology industry developing in eastern Ontario. A lot of the markets for that industry are foreign. There is a substantial amount of domestic market as well, but the minister will know that our developing high-technology industry has to take on a far greater international scale.

One particular area of high technology has a problem. I would not say it is in difficulty, because all of them in this area seem to be profiting at this moment, but it is a very particular problem. I refer to the people who are in the business of preparing computer programs. People in the computer hardware business have a product that is easy to see and easy for government officials to identify with and, therefore, they generally tend to succeed much better than the people who are in the business of computer programming.

Computer programming is somewhat like poetry, except it is not written poetry; it seems to be recorded poetry. Therefore, when officials of a company in the business of programming a computer to do a specific function go to the government and say, "We would like assistance to make a new government program," I can appreciate why there is some reluctance on the part of ministries to get involved in that area. It is not something tangible such as computer hardware.

Nevertheless, I do think the ministry should

put particular emphasis on the computer programming sector of high technology, because I believe our country and our province have a great deal to add to that area. We are now seeing expansion of Telidon and all kinds of other communications equipment.

We are seeing a very new phenomenon occurring, and that is the need for programming computers in the French language. There are very few countries in the world that can do that. Apparently we have such facilities in this country. We have plenty of available talent in that area. There is apparently a very large export market for that technology. I do hope the government will see fit to acquire a better understanding of that area of computer programming and to give it the kind of attention it has given to computer hardware and to other areas as well.

Having said that, I will conclude my remarks and reiterate that I personally want to wish the minister success in this ministry. It is not going to be an easy one for him; it is a very difficult ministry. These are very difficult economic times and it is going to require a lot of imagination, hard work and dedication on the part of the minister to be able to turn the economic tide we now have in this province and, I hope, to have our industries prosper once again in the way they used to a few years ago.

**4:10 p.m.**

**Mr. Martel:** Mr. Speaker, one does not know where to begin with this bill. One does not know where to begin after listening, as I have done attentively for the past number of days, with respect to the position taken by my friends to my right. One blames the province for some of the ills, and I concur with that. But I remind members that there is a government in Ottawa which has sold this country out as well. I think they are called Liberals.

If one looks at the course of history since the time of C. D. Howe, What's-A-Million C. D. Howe, it was he who started to sell out this country; and his accomplices were the provincial Tories. A pox on both their houses, because neither of them wants to deal with the problem confronting Canada.

This bill, which I will come back to in a moment, does nothing with respect to the problem. I will make some references to the days when my friend the minister of Industry and Trade (Mr. Walker) and I sat on the same select committee on economic and cultural nationalism. I will remind him of some of the things that he signed, without objection, at a



time when he had some willingness to see change. That was when he was outspoken; before he got to cabinet and virtually was silenced.

I want to deal with a couple of minor issues before I get to the main text. I remind my friends to my right that there is a great battle going on now, led by none other than the member for Nipissing (Mr. Harris) and Jean-Jacques Blais from North Bay.

I was at a dinner the other evening with the minister, and I listened to him indicate that we have a trade deficit of \$167 million in mining equipment in Ontario. I believe that was the figure the minister used. And we have a Canadian-owned company—I was called out of the House to meet its president a few minutes ago—that wants to locate in Sudbury and create 225 jobs in the next three years by building mining equipment.

Who is leading the attack against it? Jean-Jacques Blais, a Liberal cabinet minister. He is being assisted by the member for Nipissing and by that Tory, Stan Darling from Parry Sound-Muskoka, federally. Not one of the three of them has bothered to look at the deficit we have in mining equipment. They are against it. They say it is going to hurt Jarvis Clark in North Bay. Interestingly, the new president is a man by the name of Jack Clark, who started Jarvis Clark in North Bay.

I have implored the minister, in correspondence, to go it alone since the federal government, led by that great Canadian nationalist who has been advocating Canadian ownership, has not been prepared to put up the money for the last eight months. What is that fellow's name? He did the Gray report. Remember his offering a report called the Gray report? He is sitting in Ottawa, refusing to give the funds necessary to get company going to produce mining equipment, a company that is backed by Inco and Noranda, who are the other two partners.

I say to my friends to my right, who bemoan the acts of this government, that it is their federal counterparts who are trying to scuttle it, together with this government. One wonders why I come here with such cynicism. One can wag the finger at the provincial Tories, but those bloody Liberals in Ottawa will not do a thing for the Canadian economy either.

**Mr. Boudria:** You can't wag at me. We are not in power there.

**Mr. Martel:** Well, kick them in the head in Ottawa then. I say to the minister, under no

circumstances should we allow that facility to go down the tube. I just met with the president and a couple of officials from Inco, and they are gung-ho. They are a little concerned, though, about statements by Jean-Jacques Blais. Maybe one of the Liberal members will phone Blais and tell him to shut up or, at least, to find out what the trade deficit is in mining equipment in this province and in this country as a result of 78 per cent of our underground mining equipment being imported.

We have a Canadian company, totally Canadian-owned, that wants to produce underground mining equipment; and we have a couple of federal cabinet ministers scuttling it with the assistance of the member for Nipissing. It blows my mind. We talk about economic planning—

**Hon. Mr. Walker:** Mr. Speaker, on a point of privilege: I know the privileges of this House are being abused with respect to the member for Nipissing (Mr. Harris), who does not take that position. That should be clarified.

**Mr. Martel:** If I am wrong, I will apologize to him.

**Hon. Mr. Walker:** Mr. Speaker, I will accept the apology the member has made.

**Mr. Martel:** If I am wrong. But it is my understanding in the last half hour, as a result of the meeting I had, that I am not wrong. I hope I am wrong because, if we are talking about import replacement and if we are sincere about it, there is enough to reduce that deficit for Ontario and federally by the introduction and commencement of that enterprise in Sudbury. It would create 225 jobs and take up some of the slack in the nickel industry around the world.

I am going to remind my friend the minister that he signed a report in 1974—and that is why I know it is in safe hands—one of whose major recommendations, number 23, was that, "The government should actively encourage the development of Canadian-controlled firms in the mining machinery and equipment industry through the provision of loans and research assistance and through purchasing policy."

That is why I know this company will not go down the tubes even if the feds get out: because my friend the Minister of Industry and Trade signed that report. There is no asterisk beside his name, as there is in a couple of places in the report, to indicate that he objected to that.

In the second report on the Inco layoffs, the minister also supported the expansion of any productive capacity for mining equipment in



this country, and I know he will not go back on that report either.

But I say to my Liberal friends they cannot have it both ways. They cannot have the member for Kitchener-Wilmot (Mr. Sweeney) get up and berate the provincial government at the same time as we have an opportunity for mining equipment that the federal Liberals are trying to kill. There is something crazy about that. I hope the member for Kitchener-Wilmot will phone Ottawa tonight and tell Herb Gray to put up his \$2 million and tell Jean-Jacques Blais to stop his silly little games and find out what the real situation is in terms of the deficit in mining equipment alone in this country. Then maybe they will change their stance.

I could not help but listen the other night as the minister read his statement. He said, "However, I must say that I do not see government's role as one of job creator." That just about sums up the activity of that ministry, and that is what worries me.

**Hon. Mr. Walker:** Read further.

**Mr. Martel:** I have read it two or three times. I have more things I am going to pick out of the speech that bother me no end. The minister is going to make the climate right. I have heard all those clichés about making the climate right.

**Hon. Mr. Walker:** Finish the paragraph.

**Mr. Martel:** Okay. "That function has been and should continue to be the role of a healthy and confident private sector." If I am going to look at a confident private sector, I look at Massey-Ferguson, at Chrysler, at Ford, at White—and I am going to come back to White—and at Westinghouse. The minister says his role is not one of job creator. I suggest, rather strongly, that it is. And it is not just a case of a nice healthy climate; there should be some intervention if needed.

The government threw \$110 million into the pulp and paper industry last year when it said it did not even need it. As the president of one company said, "If everybody else is getting it, we want our hands filled too." And it got \$8 million when it said it did not need it.

**Hon. Mr. Walker:** That's not what the union said up there.

**Mr. Martel:** That is what it said to us when we were in northwestern Ontario. I talked to the union at a meeting in Kapuskasing not long ago. That is not what was said to me.

The minister cannot have it both ways. If he is going to try to make an economy healthy, surely he does not give to those who already have, to

maintain their health. My understanding of the figures at the time he was giving that largess away was that the industry was in a very healthy state, according to the reports of part of a document I saw from Lakehead University.

As I say, I am only going by what the minister tells me and he says it is not his role to be a job creator. I suggest rather strongly to the minister that it is. He should use all the tools at his disposal to make that a reality.

**4:20 p.m.**

**Hon. Mr. Walker:** Are you talking about make-work?

**Mr. Martel:** No. I do not believe in make-work.

**Hon. Mr. Walker:** That is what I mean when I say I am not a job creator.

**Mr. Martel:** If the minister is talking about make-work projects, he and I might agree, but I am saying he has a role in the planning of the economy of this province.

**Hon. Mr. Walker:** That's the second time you have agreed with me today.

**Mr. Martel:** I am worried then.

Let me see what else he says. Some of the things he says will lead me right into remarks on the bill. One is: "A great deal can be done to expand the domestic market for goods and services, and we will support this expansion by an intense domestic marketing program."

Back in 1972, the minister and I started together on a committee that lasted fully four years, because what we have in this province is a truncated industry that makes it impossible to be competitive even locally. We found out that, unless we were prepared to move beyond that, we would continue with the type of economy that was taking us down the tube.

If one is going to deal with the whole problem of the economy, whether it be for Ontario or for Canada as a whole, one has to look at our economic dilemma. Our dilemma is that we have a lot of investments in truncated companies. A lot of multinationals came over the border to get away from the tariff; in doing so, they created a severe economic problem for Canada.

In 1971, the Premier established the select committee on economic and cultural nationalism because, going down the road we were going, and we continue to go down that slippery slope, we were merely going to exacerbate the problem that was already there.

My friend will recall that we had just started nicely to get into the discussion on economic



nationalism when the Duke of Chatham-Kent had a dinner for us over at the Sutton Place. He suggested we should divert our attention away from economic nationalism and deal merely with cultural nationalism. My friend the minister will recall that evening. To the credit of the Conservative members on that select committee, they said: "No way. We are not going to get sidetracked. We want to look at what the problems are in our economy so we can have a healthier economy."

My friend knows that we as a committee put out some 21 reports; some were by the committee and some were by Kates Peat Marwick, and I think we even commissioned one by a man in Australia, where they were having similar problems. We have not introduced virtually any of those recommendations which were designed to get us out of the problems we were in then. Those problems plague us today.

What are some of the problems? Before I go into them, I want to preface this by saying that in Ontario we are fortunate; we happen to be in the heartland of the United States if one looks at where we are situated physically. Our economic development has not been because of government, but despite government. There has not been any great economic planning by this government; it is because, within 100 miles of our border to the south, there are 100 million Americans. That area saw the earliest economic development in the United States, and we happen to benefit because of our geographical location, not because of government involvement.

In fact, we have let it slide. We let it slide until the Premier introduced a select committee, because he knew there were problems. There were problems in such areas as the American companies that were locating in Canada. We saw it then; we saw it in the last select committee as well. When it is time to close the door, these multinationals that locate in Ontario do not even bother telling the Canadian president; they make a decision, pack up their bongo balls and go home. We saw that last fall in the select committee on plant shutdowns and employee adjustment.

**Hon. Mr. Walker:** They have to give due notice under the law.

**Mr. Martel:** Pardon? I did not hear the minister's interjection.

**The Acting Speaker (Mr. Cousens):** Interjections really should not be made in the first place.

**Mr. Martel:** Essex International, I think, gave the president in Canada two weeks' notice and

said, "If you think you can make this operate successfully, we will give you two weeks to prove it." This is a company that had made a profit for 39 out of its 40 years, and within two weeks they had shut the door and gone home. I say to my friend that we saw that in nearly every company we looked at last fall and last spring before the election. It is unfortunate that the Premier would not reinstitute that select committee to make its recommendations, because the problem is going to get worse, as I will document as I go along.

We saw it when we were on the select committee from 1971 to 1975: the doors were closed at the whim of the parent companies. It did not matter whether you made money; a decision that was made in the United States affected us in Ontario. I see nothing in the bill that does a thing to change that, not a thing. That is what worries me about the bill.

We also saw then, as we do now, very little in research and development from the multinationals. There was the odd one, sure; but by and large they invest less money in R and D in Canada today than do the small Canadian firms. So we made recommendations on R and D. We can talk about R and D at Ford and so on. We visited Ford, my friend will recall, and they said they were not prepared to put R and D in Canada; it was all in Dearborn. They brought the whole community of scientists and we heard all the nonsense that went with it. So what have we got? R and D in the major multinationals done primarily in the United States.

What else did we see? We saw expensive production, because none of the companies was here except to satisfy the Canadian market. They were not interested in export. That is why I chuckle at the minister's statement that "a great deal can be done to expand the domestic market for goods and services, and we will support this expansion by an enhanced domestic marketing program." I suggest to the minister that much of this market is already filled.

If we were serious, we might start to look at exporting some of our manufactured goods, because we had a trade deficit on manufactured goods in the neighbourhood of \$21 billion last year in this country. Not all of it was in Ontario but, because we happen to be the industrial heartland of manufacturing, we bear the brunt and we continue down the slippery slope.

The markets are there. We know that production is costly because of the type of runs that many of these plants are involved in: short runs, very costly. As we said when we were studying



this problem, if we were doing some exporting the runs might be longer, less costly and more beneficial to us.

We have decisions made in the United States, research and development done in the United States, expensive production runs and no exports. When I read the minister's statement and when I read the bill over, as I did several times, I would have felt a lot better if I had found at least a hope somewhere in there that we were going to start to deal with the problem. But I see nothing in this minister's statements, as I saw nothing in his predecessor's statements—except a little global product mandating, which I will come to in a little while—that is going to change the infrastructure we have and overcome some of the deficiencies in this province.

As long as we continue down this route—and I only remind the minister of White Farm Equipment just two weeks ago which I will also come back to—we will continue down the slope that has put us in the dilemma we are in.

His people go around encouraging more foreign direct investment. That is part of our problem. I am sure he remembers reading Galt, USA.

4:30 p.m.

**Hon. Mr. Walker:** It is better than no investment at all.

**Mr. Martel:** I question that. I will come to that too. I remind the minister that he read Galt, USA. I advise my friend the member for Cambridge (Mr. Barlow) to read it because it is very enlightening. It is about what happens to a community that is almost totally reliant on small multinational firms when they close their doors, willy-nilly. They go away. It does not matter to them because all they have got invested is a box. They put a box up and put a little bit of equipment in it and they even take that back to the United States when they are done.

We saw that in the last select committee. We never did get to report on it, but that is what they did. We are not going to change them. Does the government think by a buy-Canadian policy we are going to alter it? We are going to solve some of our problems when we decide that some of the ownership must be here.

**Mr. Barlow:** How are we going to get it here? Tell us that.

**Mr. Martel:** I am coming to that. I am going to quote some of the recommendations that the Minister of Industry and Trade and I made. I just want to haunt the minister a little bit with them.

If he wants to read another interesting book on the mining industry, I suggest he read Kari Levitt's book, *Silent Surrender*, and find out what is happening in the mining field. I would suggest the members should read the Gray report but now that he is in control in Ottawa and he does not want to see a mining company go to Sudbury, I question his integrity when he talks about Canadianization of our economy. I question it very seriously.

Let me remind the minister that after studying most of what we did and after 21 reports, we came to basically a very simple solution, not in terms of the cost, but simple in terms of what we had to do. We suggested that we had to rely less on resource exploitation and we had to move towards more Canadian direct investment. In the second recommendation we made in the select committee on economic and cultural nationalism dealing with natural resources, foreign ownership and economic development, we said that the policy shift should involve not a discouragement of resource development but an encouragement of manufacturing and processing in Canada. We have not done that in the mining sector.

We also suggested that we had to get rid of, or reduce—"Canadian resources policies, particularly in respect of nonrenewable natural resources, should promote foreign portfolio, rather than direct investment." They make the loans. We do not sell out. Last week we watched White be sold out. It flies in the face of everything the minister signed. We encourage direct foreign investment, by Canadians, and we have said "discourage direct foreign investment but rather encourage only portfolio investment."

Since 1974, when this report came out, I have not heard a minister say that. I have seen junket after junket go around the world to try to encourage more foreign direct investment, which flies in the face of everything we looked at and everything we recommended. My friend the minister signed these documents along with me.

By the way, it was not as though that committee was predominantly loaded with New Democrats. I remind members that seven of those members were Tories. There were two Liberals and two New Democrats. After studying it carefully, we said we had to have less direct foreign investment. We see this minister espousing more direct foreign investment. Every time he does it, it is another nail in our coffin. The minister should know that. He spent almost a full four years on that committee.

That reminds me, one only has to look at



White Farm Equipment. I remember when my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) raised the question of White. The minister said, "What do you want us to do, nationalize it?"

I remind the minister that in an interim report of the select committee on economic and cultural nationalism called Capital Markets, Foreign Ownership and Economic Development, we said that when we got into a dilemma with a Canadian company that has some high technology, "the Ontario Development Corporation should be suitably equipped with the legal and financial capacity to undertake reacquisition of enterprises should that be deemed in the public interest . . ."

Last week or a couple of weeks ago when we raised it, the minister's off-the-cuff response was, "You want to nationalize it." Not at all. The minister himself signed this, by the way. I had better check. I am sure he did. Let me see, "Gordon Walker, MPP." We could have and should have used that recommendation in the case of White. No one said nationalize.

**Hon. Mr. Walker:** That's what you are saying.

**Mr. Martel:** We do not suggest they nationalize it. I will read it again just to refresh the minister's mind. The minister signed the following, "The Ontario Development Corporation should be suitably equipped with the legal and financial capacity to undertake reacquisition of enterprises should that be deemed in the public interest, to acquire enterprises coming up for sale from foreign owners for which no Canadian buyer can be found provided that the acquisition is in the public interest, and to acquire on a temporary basis Canadian corporations which would otherwise fall into foreign-owned hands."

As I stand in my place two years from now, White will shut its doors and it will trundle off to the United States just as so many others have done. When we raised it with him, why did he not use that recommendation? His answer was, "Oh, you Socialists want to nationalize it." We never said nationalize it. We said, "Use a policy that you signed."

**Hon. Mr. Walker:** Why are you so convinced they are going to leave?

**Mr. Martel:** Because as the tariffs continue to go down, his own ministry now is looking at 2,000 companies that are going to take their bongo balls and go home.

I suggest there is a company in Peterborough whose life as a manufacturer of any description is living on borrowed time. It is Outboard

Marine. It is just a matter of time until Outboard Marine becomes nothing but a warehouse. It will just sell the outboard motors. That is all it will do.

We saw it in Scarborough with SKF which very systematically took back the lines of production which were profitable and deliberately kept lines which were not nearly as productive. Then it can go to the government and say: "Look, you fellows, we want to close our doors and we want to ship in from offshore. We will ship in from Spain or Portugal." I forget which place it was.

They could not do it in Sweden. SKF is a Swedish company. In fact, the workers there were told three months ahead of the workers in Ontario that the Ontario operation was about to shut down. Fourteen months later it is gone. I understand it has built a new building in Scarborough and now it is just selling.

I say to the minister, the pattern is there. He saw it for four full years. The Liberals and the NDP implored the minister to use a policy tool to keep that company in Canadian ownership, and he did not. His off-the-cuff comment was, "What shall I do, nationalize it?" No, we should have bought it. I would have taken a year to look for a buyer, to sell it back to some private entrepreneur. I might do it somewhat differently if I had bought it. I would not nationalize it. I would not let ownership of it go out of Canadian hands under any circumstances. He is caught in this catch-22 position. If he moves in he is always bailing out some bankrupt or nearly bankrupt beggar. He will not put his money on a winner. If we say over here, "Well, take it over," he says that is nationalizing, and he would sooner see it go down the tubes.

**Mr. Stokes:** He would rather get into a Minaki.

**Mr. Martel:** Yes. We can buy another Minaki. That was just one of the policy tools I reminded the minister he could have used and did not. It is the type of industry we can ill afford to lose, because the day of research and development has gone and the decisions will be made in the United States when and if to close. We will have no say. We can go cap in hand, we can get down on our knees and crawl and beg them to stay, but in the final analysis they will go home when it is convenient and we will be the losers.

It is a tough decision. Some day the great free enterprisers will come to the realization that they cannot allow that to go on. It is almost a form of blackmail. I understand that was the proposition put to the minister: "If you don't do



it, we are going home anyway." I would tell them, as I did Inco when it used to play games in Sudbury, that I would give them \$2.95 in bus fare to leave unless they became a lot more responsible. I would not allow us to be blackmailed. What we must have in place is some tools, and I do not see any in that bill.

I hear the minister as he responds when I am talking. He does not have the commitment to maintaining Canadianization of our economy. We will never ever get out of this dilemma until we are prepared to move with some options other than straight nationalization. But he does not want those options. We are not going to get rid of our structural problems until we have some policy options, with a government that has enough intestinal fortitude to say, "No, we understand the minister's dilemma." They said to him, "If we cannot keep it open, that is 750 jobs," and the minister wanted to save 750 jobs even if only for two or three years. That is what he has not put in at the end.

We have seen that over and over again, that threat that if we do not do something about it they will go home. I have come to the conclusion after a lot of years in this place, to hell with them, let some of them go home. We are their best trading partner by far.

I am going to quote some of the stuff out of a confidential document my friend Broadbent got in Ottawa on this particular topic, to show it still happens. As long as they can hold us up to ransom that way it will continue. I will not say all of them, but a lot of them.

I want to remind the minister of a couple of things he signed in a couple of reports. In the mining one, Canadian economic policy should be reoriented so that greater emphasis be given to the development of the manufacturing sector and the nonrenewable resource sector should be de-emphasized." Well, I read the minister's statement, and now he tells me it is only for part-time work or a make-work project, so I feel a little more assured. That is very clear. It says we have to get rid of that trade deficit and there is only one way we are going to do it, that is, by owning an overwhelming majority of those companies. When I say "we," I do not mean the government. I am talking about Canadians, people in Ontario. We have to start to foster that and we have not. We have not introduced any of it.

I think the only recommendation that was ever taken—and members will recall we could not get the Tories to go along with it but the Premier introduced it. The members opposite

only wanted 20 per cent of the board of directors to be Ontarians or Canadians. There were two of us who said, "No, no, it has to be 50 per cent plus one."

The Premier outdid his radical back-benchers and he brought in 50 per cent. But we could not get those Tory radicals on the committee to say, "Fifty per cent of the board of directors must be Canadian." That is how radical they were in those days. That is what gives me some concern.

We also signed—should I remind the minister?—"Canadian policies, particularly in respect of nonrenewable natural resources, should promote foreign portfolio rather than direct investment." And one that all the Tories squirm on: "The government should be empowered to take up to 50 per cent of the equity in new ventures in the nonrenewable natural resources sector." That was signed, by the way, by just about every member of the committee, except the member for Mississauga South (Mr. Kennedy) and the member for London South (Mr. Walker). But the other five members signed it.

When the minister's colleagues saw what was happening in the resource sector, they came to the conclusion that we had to take up to 50 per cent equity in all new mining development. I know that really scares some of the members opposite—much more so after the purchase of Suncor, when they bought a pig in a poke—but that had not even occurred. But the minister's colleagues wanted 50 per cent ownership in a resource sector.

When my colleague Ian Deans, the former member for Wentworth, and I said, after we got the 50 per cent, "No, we are not interested in 50 per cent; we want the whole pie," I must say my good friend Dick Smith, the former member for Nipissing, said to us, "I would like to sign that with you because I happen to believe that we need the whole pie in the nonrenewable natural resources sector as well." Coming from the north, as Dick Smith did, he knew the type of exploitation that goes on in a resource sector and came to the conclusion, having lived in the north for a long time, having been raised there, that there was only one solution for us in Ontario, and that was to own the resources. But as I say, at least five Conservatives out of seven said we had to have 50 per cent equity. That is more than will come out of those back benches now, I suspect, particularly after Suncor.

Let me tell the minister about a couple of other recommendations he made in yet another report, since I hear people say, "What would you do?" The heading is "Foreign Portfolio



versus Direct Investment." The member for London South has signed that as well. It says; "Canadian economic policies should promote foreign portfolio investment and discourage foreign direct investment."

I wonder if the minister recalls that particular item and signing it, because since this report in 1975, the Tory government has gone in the opposite direction. They have gone wisely on their way encouraging more and more direct foreign investment while at the same time realizing that is what has created the dilemma for Ontario. That is what has created the structural weaknesses we have in our economy and yet we continue to send trade missions and one minister after the other, and the Premier with them, all over the world to encourage more direct foreign investment.

Those who looked at it carefully over a four-year period said, "No, no, you have to discourage that and encourage more portfolio investment from abroad." We have not done any of that. As I say, my friend the minister has difficulty remembering some of these things.

He also signed, "Greater attention should be given to developing and to drawing on foreign sources of capital other than the United States." Our friend Big Brother in the States has not seen any problem with that.

**4:50 p.m.**

One could go on, but I simply remind the minister tonight to dig out this report and look at section 19, which would give him the power to prevent the sale of companies like White. In fact, he should screw up his courage and tell these companies that they can go home. In the short run we will buy them or find buyers for them, and we will keep them here. But to date we have not seen any of that.

I have one final quote, and this is good for the minister too. "Ontario's development corporations "Ontario Development Corp. should conduct their affairs on the basis of securing reasonable returns on all their investments if possible." Reasonable returns. That almost smacks of taking equity, does it not? If you are going to get a reasonable return when you put your money up—

**Hon. Mr. Walker:** Sounds to me like a mortgage.

**Mr. Martel:** At the rate of mortgage today you would have a reasonable return.

**Hon. Mr. Walker:** You signed that one.

**Mr. Martel:** You signed that one as well. Yes,

your name is here. You are the Gordon W. Walker.

**Hon. Mr. Walker:** Aren't you the Elie Martel referred to on the same signature page?

**Mr. Martel:** Yes, and I would want some return on my investment. Being the great free enterpriser that I am, if I put some money up I think it is simple mathematics for me to demand a fair return on my money.

**Hon. Mr. Walker:** But normally you want us to give everything away.

**Mr. Martel:** No, you have never heard us say that. The minister can make interjections like that, but the government are the people who give away. They gave away \$20 million to Minaki. How much has the government given to Ford, Chrysler and the pulp and paper industry? The litany of what the government has given away is endless. And what is the return? What is its return on the \$150 million it invested in the pulp and paper industry? Nothing went into the Treasury.

The government can give away the store, and it is doing a good job of it, but the minister signed reports that called for that change. I am hoping that as minister he will start to make some of those fundamental changes and to say, when he has entered into some agreement, that we want either that much equity or this much return in interest on our money plus our money back.

I recall the fight in this House, before the minister came, on those crazy forgiveness loans. The government used to give \$500,000 forgiveness loans. Imagine the misnomer, "forgiveness loans." The government just gave them the money and they never paid it back. Well, John White eventually killed that, I think.

**Mr. Wildman:** That is how they got into Minaki in the first place.

**Mr. Martel:** Yes.

**Mr. Wildman:** On a forgivable loan.

**Mr. Martel:** So when the members opposite talk about being the world's greatest businessmen, if they were good businessmen they would want a return on their money. The member for Mississauga East (Mr. Gregory) would never think of not getting a return on his money.

**Mr. Grande:** They will bankrupt the province yet.

**Mr. Martel:** But those guys do not see it in



those terms. Well, we see it slightly differently. But the minister signed it.

**Hon. Mr. Walker:** You signed it.

**Mr. Martel:** You are right. I signed it.

**An hon. member:** And he is defending it now.

**Mr. Martel:** And I am defending it. The interesting part of it is that the minister signed it, he is in a position to do something about it and he continues to run around to sell out the Ontario economy to foreign interests. I guess the minister forgot what he signed.

When we looked at what these companies were doing last year, we had some people from his ministry before the select committee and they indicated to us—if he thinks the problem is not bad now, he should just wait—that with the reduction of the tariff in the General Agreement on Tariffs and Trade the government is at present looking at some 2,000 companies that might fold up their tents and go home once the tariff gets down to about nine per cent. I would like to know what the government is doing to head that off.

**Hon. Mr. Walker:** Buy back.

**Mr. Martel:** Buy back?

**Mr. Wildman:** Oh yes. It would take 400 years to buy back control.

**Mr. Martel:** With what we owe now at the rate the government is going we calculated it would take 400 years to buy it back; and if we are looking at 2,000 more companies, the government is going to break the bank.

We know why most multinationals are here. The report of the Advisory Committee on Global Product Mandating put it pretty well.

**Mr. Wildman:** That is an industry task force, isn't it?

**Mr. Martel:** Yes. They said: "For many multinational affiliates in Canada this will mean a continuing shift away from the traditional branch-plant form of operation which evolved primarily in response to high Canadian tariffs. Typically such plants manufactured a wide range of products, solely or primarily for the Canadian domestic market."

**Hon. Mr. Walker:** Global product mandating as shown by that committee, is working very well.

**Mr. Martel:** I am sure it is. I see all the multinationals beating their way to your door to get a particular—whatever is the term they use for the mandate for one particular product—they are breaking the minister's door down to get there.

**Hon. Mr. Walker:** You should see some of the accomplishments. I could give them to you.

**Mr. Martel:** I have the accomplishments of some of them. I also have their recommendations and they frighten the hell out of me.

It says, "The small size of Canadian markets and high tariffs abroad have generally prevented these organizations from achieving the economies of scale required to compete internationally." That is a lot of bunk. They have no intention of competing internationally.

**Hon. Mr. Walker:** Read about the accomplishments.

**Mr. Martel:** All of those companies came here to get over the tariff barrier and to produce for a small Canadian market. They are not here to do us a favour. When the tariff wall comes down and the cost of sourcing it in Ontario is considerably less, they will simply close down the plant in Ontario, go back to the United States, start up another run or another shift and we will see yet another plant close down in Ontario. That is what is going to happen.

"Historically, only high Canadian tariffs and lower wage rates enabled such organizations to remain viable in the Canadian market." That is it in a nutshell—when the tariffs are down.

I did not print this. It was put out by IBM, Xerox, Black and Decker, Canadian General Electric, Control Data, McDonnell Douglas, Westinghouse and TR and W. I did not write this, they did. They are telling us what the real world is out there—something the Tories over there do not want to think about—and why those multinationals are here. And they are going home.

The ministry's own staff, before the select committee on plant shutdowns and employee adjustment last year, said that we are already looking at 2,000 which are contemplating the long trek back to the United States. My friend the minister and I saw it in advertising, and we saw it in book production and so on. Shut down the operation here, put another shift on in the United States and continue the game; except that we have lost the jobs.

There is not a thing in this bill that says we are going to get serious about making sure that a major portion of our industry is Canadian owned.

What do our friends in global product mandating also tell us? They give us some warnings. They tell us such things as: "Global product mandating is one such strategy. Where a pure global product mandating strategy is employed,



the affiliate is assigned total responsibility for particular products or operations within the multinational." Over 35 years a handful have moved to it, but I do not see them breaking the door down in vast numbers to get here to do it.

They also say, "Within such a strategy the affiliate can specialize in the production of a limited number of products for the international market." Was it not the gun company, Winchester, which had the global product for the world, and did it not go down the tubes, too? They decided they might relocate that somewhere else. We had one line, we were going to be lucky; we were not so lucky.

Those companies also have some interesting comments to make with respect to our economy. They still like to talk about this being the great free-enterprise system.

**5 p.m.**

Warning: "The most effective way to achieve these objectives is to emphasize performance rather than ownership of the multinational affiliate." What they are saying to the minister is: "Keep your hands off. Do not worry about who owns the company. It does not make any difference."

It makes a hell of a difference, but what they are saying is it is performance, not ownership. Ownership has got us into the problem. What the multinationals that are involved in a little global product mandating did was tell us: "Do not worry about who owns it. Everything will be well. We are all good guys." I have difficulty with that.

They go on to say, "For example, government policies or statements calling for greater Canadian ownership and possible nationalization without regard to performance are understandably a serious deterrent to further investment in Canada." What are they telling us? "You fellows, do not worry about who owns it. Do not get involved, and government should not be involved. We will look after you." In fact, they are saying, "Stay out."

Let me repeat that. "For example, government policies or statements calling for greater Canadian ownership . . ." Can one imagine? I am going to come to some of the things the Americans are saying in the US in a few moments. When we talk about Japanese cars they are not saying that either.

I guess it depends on whose ox is being gored. The Americans, now their ox is being gored in the auto industry, are surely worried about who the owners are. They are surely worried about who is penetrating the market. But they can

write this gobbledegook as long as it is not their ox. When they are in Canada doing great things for us we should not worry about it, nor should we worry about trying to establish a Canadian presence in our own economy; they will look after us. I am from Missouri and I have difficulty swallowing this.

"We question the usefulness of government efforts to designate certain sectors for support." Did the minister hear that? I want to repeat that. "We question the usefulness of government efforts to designate certain sectors for support." Then we should not help anyone. We should let it all remain in their grubby little paws. Government should not get involved. They are telling the minister he should not have put \$150 million into the pulp and paper industry.

**Hon. Mr. Walker:** I do not think that is what they said.

**Mr. Martel:** That is exactly what they said. I will repeat for the minister, in case he did not hear it. I will quote the whole paragraph.

"The committee members are sceptical of government ability to pick winners within the economy. Because so many of the ingredients for successful adjustment to the new competitive challenge are firm-specific rather than sector-specific, we question the usefulness of government efforts to designate certain sectors for support." Would the minister call that the pulp and paper industry? Those are his friends. "Do not do it," they say. They will look after us. Just keep the faith, baby.

Here are some of their recommendations. They have some good ones. "Recent policies and statements by some governments in Canada have left doubt in Canada's commitment to the free enterprise system." Are they that naive? I want to see the free enterpriser today. Maybe someone could point him out to me. Those birds who every time you turn around want a government handout. I wonder where they think that comes from? They want a tax break, they want reduced hydro rates, they want reduced freight rates, and then they say, "We worry about the free enterprise system." What is it free to do, take their cut out of the pie? Is that free enterprise?

As an old free enterpriser myself, I find that foreign. I believe in it from way back. But here are their friends saying: "This is a free enterprise system. Keep your hands out." That is fine, but tell them to keep their fingers out of the Treasury and stop asking for tax breaks, tax concessions and the whole schmeer. They are



free enterprisers. Let them go out and raise their money somewhere; don't do it at my expense.

**Hon. Mr. Walker:** Maybe they would like to make a profit.

**Mr. Martel:** Let them make a profit, but don't ask the taxpayers to throw it in. What did the minister give to Massey-Ferguson? Are they going to give him a share? "Keep your hands out," they say, but then the minister's friends say, "Give us \$78 million in guarantees." I cannot understand it. I have difficulty understanding how they can write such gobbledegook and always be there with their hands out.

Let them be free enterprisers if they want. Nobody even wants to start a corner store today. They come to the minister's office and want a government handout. I don't blame that guy because he sees the big guy is getting it. One company said today, "In this country, you do not get a bankroll unless you do not need it."

What they are talking about are performance incentives. I am quoting directly from the report. It really gets me going. "Performance incentive. Government incentive programs such as investment tax credits and industrial development grants have proven useful . . ."

In the paragraph before it said: "Keep your hands out. It is a free enterprise system." The very next paragraph says, "Government incentive programs such as investment tax credits and industrial development grants have proven useful in earning and maintaining specialized missions."

Interjection.

**Mr. Martel:** Milton, you can say what you want. It's great out there, ain't it?

On one hand, they say: "Keep your hands out of the free enterprise system and do not get involved in anything. Don't try to build up a sector." In the next paragraph they say, "Give us some more in the form of government incentive programs and give us some more investment tax credits." My, oh my, that is a wonderful system. It is called socialism for the rich.

Look what the minister's friends say about research and development. "While Canadian affiliates have access to enormous pools of technology, research and development incentives, particularly development incentives, can positively influence mission specialization." If one is prepared to give some more money, they will do some research.

I remind the minister that just two paragraphs back they were saying, "Keep your hands out of the free enterprise system." Now they say, "Give

us some money so we can do some research for you." The whole thing is crazy. Global product mandating is going to save us, but my friend, until one goes back to the basic documents with respect to economic and cultural nationalism and looks at some of the solutions, we do not have a hope in hell of beating this system.

When one can be blackmailed by White, as the minister was, we cannot beat the system. I understand what he was doing. There were 750 jobs threatened by the closure of the plant with nobody coming back. I understand that, but if he had used the tool we recommended he might have said: "To hell with you, we are going to buy it out and we will keep it in Canada. That diesel work will be done here, as will the research and development and everything else that goes with it." That was not nationalized at all.

There is another interesting report out. I should send the minister a copy because he might not have it. It came to my federal leader in a brown envelope and I asked him for a copy. It is the Performance Requirements and FIRA; Responses to US Criticism. The Americans do not want to have to have any type of performance requirement. They resent it with a passion. We are not very sure about the Foreign Investment Review Agency either, are we, because FIRA could have stopped the sale of White, or the minister could have.

This document is so interesting because it shows in a very up-to-date document what is happening with respect to transfer payments, research and development and procurement. Let me just find a couple of examples, because I have gone on for quite some time now.

**5:10 p.m.**

"US criticism. Any requirement placed upon a foreign controlled enterprise by a host nation. The requirement may be a condition under which various investment incentives are provided, or may be a condition for foreign investors to attain entry into a country. US condemnation has centred on local content requirement."

They do not want content requirement, except if one is buying Japanese cars and then they do. They do not want their ox to be gored. It is all right if they gore somebody else's ox in another country, in a host country. That is okay, but it is no good for the Americans—

**The Deputy Speaker:** Can the member refresh my memory and tie it in for me?

**Mr. Martel:** Mr. Speaker, I am speaking about this bill which is not going to do a thing to head off the devastation which is occurring in



this province. We are creating a new ministry that is supposedly going to create a climate for productivity here. I am suggesting to the minister it cannot be direct foreign investment, but must be Canadian investment.

**Mr. Cassidy:** If there is any problem, Mr. Speaker, it is not in the speech.

**Mr. Wildman:** This is on the reasoned amendment.

**Mr. Martel:** Let me just quote for the minister some of the things that are occurring here.

"The lack of reciprocation by other countries in maintaining an open investment market disturbs American authorities but has begun to infuriate them, particularly now as they are becoming the host country to increasing amounts of foreign investment. US foreign investment abroad increased by 80 per cent from 1974 to 1980, or \$213 billion, but that in the United States by 200 per cent over the same period."

The Americans do not like it. They do not like foreign penetration into the United States, but the document I quoted from was all multinationals telling us why it was good for them to be directly investing in Canada. If it is good for the Americans, it is good. If it is not so hot for the Americans, then it is awful.

I am trying to locate the sections with respect to research because that tells us what some of the basic problems are. "Profits are maximized when fully captured by an integrated decision-making unit which necessitates full corporate control and wholly-owned subsidiaries." We know that, do we not?

"Profitable or economic decision-making requires the geographic allocation of resources and production in a manner that results in the best product at the least cost for the particular market served. While such action may maximize global profit, it may distort the ability of national economies to achieve efficient production."

I started out by saying that, did I not? I started out by saying that the little truncated plant that we have and which covers almost the face of southern Ontario cannot produce profitably. Costs of production are higher because it is truncated. This is a 1982 document. This is 10 years after we looked at the last one. This federal document comes to the same conclusion, that one cannot have the type of profits unless one has total control, one makes all the decisions, including where one will do research and so on. In this province we rush headlong

into encouraging more of this type of investment.

Tell me the creation of a new ministry without a different mandate is going to alter the situation one jot. It simply will not.

Let me give another example. "Import practices of Canadian subsidiaries. A Canadian subsidiary may be directed by its parent to purchase components and materials from abroad instead of from a competitive, independent Canadian supplier."

My friend the member for Cambridge has gone. I wanted to quote this section for him. I repeat it for the minister though: "A Canadian subsidiary may be directed by its parent to purchase components and materials from abroad instead of from a competitive, independent Canadian supplier. The sourcing decision is made by the parent in the name of efficiency."

As long as we have that type of economy, even a very successful Canadian operation cannot sell. Many of the multinationals here decide they will purchase from the United States even though competitively it would be cheaper for them to buy from a Canadian source.

These are not my words. I am just quoting a federal document that is floating around right now in Ottawa. We continue to rush for more foreign direct investment. That is another problem confronting us and we do not have the courage to change it. This ministry is not going to do a thing about it.

I am talking about a study: "While the findings of the Gray report may have been based on incomplete data, a recent extensive study by Statscan has upheld the findings of the Gray report and provided conclusive data in this area. The results generally support one of the themes of earlier studies that foreign direct investment involves a relatively high amount of purchase from the home country."

That is good news for Canadian producers, great news for Canadian firms. We will not even be able to get into the market because the multinationals will purchase from the United States.

"The study, which covered 90 per cent of all Canadian imports for 1978, or \$43 billion, shows that foreign-controlled firms accounted for 72 per cent. United States-controlled firms accounted for 80 per cent of the total foreign-controlled portion. The dramatic finding in this study is, therefore, that foreign-controlled firms, and particularly US-controlled firms, are the major



conduits into Canada for imported goods." So much for Canadian business.

**Mr. Wildman:** We import goods and we export jobs.

**Mr. Martel:** Yes. Let me talk about the study further: "The study found that this sharply higher level of imports among foreign-controlled companies is more than a short-run phenomenon. Familiarization with the Canadian economy in growth and size has not led to a lessening by these companies on imports. With Canada's imports highly and stably concentrated among a small number of foreign-controlled companies, there is a substantial volume of non-arm's-length transactions which are unresponsive to traditional market forces that would correct the balance of trade."

We do not have any tools to say, "No, there is something called competition." I hear those free enterprisers; I hear them well when they tell me about competition.

**Mr. Cunningham:** You said you were one. But that was over 20 minutes ago.

**Mr. Martel:** Yes, I know, but only facetiously.

I hear the free enterprisers saying, "If you have a good product and you get out there and you work hard, by God they will buy from you," except when the decisions are made in the United States that one will buy from a source in the United States. If one is the parent company, that is where one buys. Tell me how our Canadian businessmen get into the market at all; no way.

This report goes on and on, "No matter how efficient the independent Canadian supplier might be, his price can never compete with the internal costing procedures of the multinational enterprise."

One could go on and look at research. To my amazement as I look through it, the same thing is occurring there. We all think the foreign dominated companies are going to do a lot more research in Canada. We find out it is the small Canadian firms that are doing the majority of the research and development. But what do we encourage? More direct foreign investment; they might do some research. Like hell! They have no intention of doing any research here. They have their research capabilities in the United States.

So despite all these nice announcements about some firm coming to this province, unless it is Canadian owned the government should not beat its chest too long or too hard, because two

or three years down the road the company might not be there.

**5:20 p.m.**

The whole thing is crazy. We are in a bind. This minister has been involved in the studies. He knows what we have to do but he will take the short run, the easy way, because that is Canada's history. Whether at the federal or provincial level, we have always taken the easy route.

**Hon. Mr. Walker:** You mean you put jobs first.

**Mr. Martel:** I am putting jobs first. If the minister provokes me I will look that up. In fact he has provoked me and I will look for the section on foreign investment if it takes me half an hour. I have found it and it says:

"A US Senate committee on finance and its subcommittee on international trade calculated that in 1970, some 461,200 jobs were created in the United States as a result of foreign direct investment. One half, or 230,600, can be said to have been gained from Canada. Since 50 per cent of all US foreign direct investment is located here, Canada gained some 110,000 jobs as a result of exports of US subsidiaries, for a net loss of 120,400 jobs. This is by far a conservative estimate since most exports by Canadian subsidiaries are tied, and the Harvard Business School estimates the US gain, and Canadian loss, at 300,000 jobs."

If the minister would give me another cue I can look for another part of this report, because I am worried about jobs. I come from a part of the province which has seen the waste caused by this government allowing companies like Inco and Falconbridge to never have to produce anything in Canada.

**Hon. Mr. Walker:** If you had your way, all the White people would still be out.

**Mr. Martel:** If I had my way the government would own the company and find a buyer in Canada. They would guarantee those jobs here.

I can remember the old geography book from when I went to school. It showed that Canada had 95 per cent of the world's nickel. We did not do anything with it except sell it off. We do not produce anything which uses nickel. Down in Huntington, dear old Inco is in tubing and milling. That should have been done here but it is not. The government has made one series of blunders after another. It has given the store away; it has taken the easy way out. I suggest the way is not easy.

**Hon. Mr. Walker:** It seems to me we discovered it was a Canadian company.

**Mr. Martel:** It still is not. Fifty-one per cent of the shares are Canadian owned and widely held. The majority of the shares are in blocks.

Isn't that what Sunoco did to the government? They wanted to sell the other 26 per cent, dispersed, so they would have absolute control with 49 per cent.

**Hon. Mr. Walker:** One wouldn't notice that from what you said today.

**Mr. Martel:** We wanted to give the government control but they would not take it because they always take the easy road out.

We would have been involved with economic planning with respect to companies like Inco and Falconbridge. We would have been manufacturing something in this country now, and if we had taken some of the recommendations of the select committee on economic and cultural nationalism—and this minister signed them—we would not have allowed the sale of White Farm Equipment and we would have reinstituted the last select committee to look at what we have to do in order to prevent what is going on. White is just another example of blackmail; and the flippant response from the minister is the 750 jobs.

I worry about the 750 jobs but I am not prepared to be blackmailed. I would have used that section which the minister signed. Does he want me to quote it again? I would just like to remind the Minister of Consumer and Commercial Relations (Mr. Elgie) of what his predecessor, that great free enterpriser, signed:

"The Ontario Development Corp. should be suitably equipped with the legal and financial capacity to undertake the acquisition of enterprises should that be deemed in the public interest, to acquire"—

**Hon. Mr. Walker:** Should that be "deemed to be in the public interest"?

**Mr. Martel:** I think it is in the public interest to keep that technology here.

**Hon. Mr. Walker:** It is in the public interest not to spend as much money as you would like to spend.

**Mr. Martel:** Let me go on, "to acquire enterprises coming up for sale from foreign owners for which no Canadian buyer can be found, provided that the acquisition is in the public interest." White was in the public interest.

**Hon. Mr. Walker:** In your mind.

**Mr. Martel:** The minister is the one who is telling me about protecting the jobs and two years from now when they close the door he is going to go down there—

**Hon. Mr. Walker:** Listen, it is in the public interest not to have to pay so much interest.

**Mr. Martel:** By the time the minister is finished, he is not even going to have knees left on his pants, he is going to be scraping and bowing so often to that corporate sector. He will be worse than the Minister of Northern Affairs (Mr. Bernier) ever thought of being, or Allan Lawrence as he scraped and grovelled in front of those corporate types. This minister is doing the same.

Certainly it is in the Canadian interest to keep White in Canada.

**Hon. Mr. Walker:** Not to nationalize it the way you are suggesting.

**Mr. Martel:** I did not suggest that. Let me read this again. My friend is obviously hard of hearing. He should just shut up and listen so he will not say I am nationalizing. I want him to listen for a moment. This is what it says. It does not mention the word "nationalize" any place:

"The Ontario Development Corp. should be suitably equipped with the legal and financial capacity to undertake the acquisition of enterprises should that be deemed in the public interest, to acquire enterprises coming up for sale from foreign owners for which no Canadian buyer can be found, provided that the acquisition is in the public interest, and to acquire on a temporary basis Canadian corporations which would otherwise fall into foreign-owned hands."

No one says anything about nationalizing. We said on a temporary basis the minister should have used that tool. But no way, not old Mr. Giveaway. The minister will give the store away before he is done, after signing all this. I could have brought in six or eight more reports he signed on land ownership. Does he remember those days? My friend the minister should recall signing some of those documents. He has moved a long way from that. He forgets so quickly. All Tories when they are in that seat forget what they talked about, what they signed. They say they are saving jobs. They are all free enterprisers and they continue to finance the free enterprise system and get very little from it.

As I say, in this bill—which I think I threw away because I found it so painful—there is nothing that deals with Canadianizing the Canadian economy. That is the dilemma for Ontario. That is the dilemma for Canada. And he can



continue to walk away from it for the next 10 years. These reports were done from 1971 to 1975, and we have the same problems in 1982. We will have the same problems in 1992, until we have a government that has a little courage and says: "No more. We are going to start to control our economy for our kids."

If we fail to do that, we will have the same massive unemployment we have today. When the United States coughs, we will catch a cold, and every time they have a little decline in the economy we will almost go bankrupt, because everything we have is so tied in with the American economy and we have never been prepared to break that tie. That does not mean to be anti-American; it means to be pro-Canadian. It is people like the minister and his government who have sold this country out, and none of them is prepared to make the changes necessary to give us a viable economy in Ontario. That is why I am going to vote against this bill.

5:30 p.m.

**Mr. Cunningham:** Mr. Speaker, having listened to this participation by the member for Sudbury East (Mr. Martel), I sense now that the Minister of Industry and Trade Development (Mr. Walker) is very well qualified to be the minister, not only by virtue of having heard the member for Sudbury East for the last hour and a bit but also having been a signatory to all these marvellous select committee documents and, of course, having the favour of the participation of the member for Sudbury East during those marvellous select committee days before my arrival here.

I was reading, Mr. Speaker, as I am sure you regularly do—it would likely be on your coffee table at home—the May 1982 edition of Ontario Business News, which is fresh off the press. Like his predecessor, the current minister is inclined to communicate largely through the publication of his picture, which somehow has graced the pages three times. I should digress and say that the member for St. Andrew-St. Patrick (Mr. Grossman) was inclined to put his picture in four or five times. He was a little better looking than the new minister but maybe not as bright.

As he is viewed here examining a stack of zinc ingots, the headline says, "Business has a friend in me: Walker." There are some interesting comments in here: "For Mr. Walker the replica of the typical street vendor 'says it all about the free enterprise system . . . he does his own thing, his entire factory is on his box of wheels and he's not encumbered by rules and regulations.'"

Given the decline in our economy, they may be the last vestige of free enterprise in this province.

"Walker's sincere and deeply felt belief in the positive value of the free enterprise system is reflected very much in the way he views his role as boss of one of Ontario's key economic ministries.

"I want it to be known that business continues to have a friend in this portfolio . . . I intend to take up the cause of business and argue it strongly wherever possible. That may mean taking on the federal government or other provincial ministries"—I cannot wait to see the great squabbling that is going to take place; no more solidarity in cabinet—"which may be dicey, but I see my job as the advocate of business."

I will not bore the members with all the rest, but it also reports that "he is convinced the way to create permanent, stable jobs is by supporting business. 'Government doesn't create jobs,' he says, 'but it can create the climate in which jobs are created. It is important that we create a positive climate in which business can operate and which encourages investment.'"

I would not be at variance with the view advanced by the Minister of Industry and Trade. Simply put, he has my sympathy in this current cabinet, because he and the Treasurer (Mr. F. S. Miller), who like this brochure is somewhat black and blue after the Suncor matter, may be the only ones in that cabinet who share the sentiment and the view expressed by him on the free enterprise system.

I think many of us, including the member for Sudbury East, who mentioned today that he was an advocate of free enterprise—at least he was 40 minutes ago—have great support for that system. The party opposite is inclined to have two positions on free enterprise. There is the one they express before they even sing the national anthem at the Rotary Club, and then there is the practice that seems to exist in this province.

I want to refer specifically to one of my pet peeves, the Urban Transportation Development Corp. It was before my time that this corporation, which was originally incorporated as the Ontario Transportation Development Corp., was created to serve as a catalyst with—if you are ready for this, Mr. Speaker—the private sector, to work with the private sector, to bring the private sector together and to help and assist it with financing so that we could participate in



what they referred to as the lucrative international transit market.

I may deal with that in a moment. That was their mandate. The mandate has never changed. The only thing that has changed is the title of the corporation, which now is the Urban Transportation Development Corp. It was changed in the fall of 1974 to accommodate the participation of the Alberta government.

I can recall the announcement appearing on the front page of the *Toronto Star* and back with the truss ads in the *Globe and Mail*, where it belonged: "Ontario and Alberta join in transit bid." Nothing happened with that and nothing happened thereafter with a myriad of other proposals, not the least of which was another front-page story three days later about a joint venture proposition announced by the Premier with McDonnell Douglas of California. There was not a nickel from McDonnell Douglas. There was not a nickel from Peter Lougheed—and we know Mr. Lougheed certainly has the facility to throw nickels around, if not a lot more.

I am not going to speak in opposition of this ministry. I happen to think it is vital and fundamental to the development of our economy. I think it can be properly used and maybe even served by this minister. It might even demonstrate that the Ontario government can do something, can play a role in this declining economy of ours and help us out of the economic morass we are in.

I believe this minister, with the co-operation of his colleagues in the government, if they were able to lessen the red tape which seems to be their trademark these days, just might see us on the road to some economic recovery in this province rather than consistently blaming the federal government for the economic difficulties we face today.

I am sorry I was not in my place when my good friend the Premier announced that we were going to have this deal in Detroit. I was able to read in the *Globe and Mail* some weeks before a comment by the number two man at the Southeastern Michigan Transit Authority; he was commenting on the technology and expressing his concerns about its uncertainty. I think he was referring to the linear induction technology by this company that is owned by the Ontario government. The individual indicated, "Oh well, it is downtown and if the thing breaks down it is not too far from where anybody would want to walk anyway." The Minister of Consumer and Commercial Rela-

tions shakes his head. I can hear him shaking it. That is, in fact, what the gentleman said.

**Hon. Mr. Elgie:** What a salesman you are for this province. Terrific stuff.

**Mr. Cunningham:** I want to say to you, Mr. Speaker, before the minister continues too much further, that we might just contemplate what this intervention by the Ontario government has done to the free enterprise transit development system in Canada and in Ontario. The member for Fort William (Mr. Hennessy), who unfortunately is not in his seat right now, has 1,000 people out of work in his community at Hawker-Siddeley, a company that has developed a pretty fair expertise in the development of conventional and light rail transit equipment.

We also have, in Boucherville, Quebec, another Canadian company—it may be in Quebec, but the last time I checked Quebec was still in Canada—MLW Bombardier, a company that is on the verge of signing, if it already has not signed, a \$1-billion contract to help expand the subway system in New York City. That contract will provide hundreds of jobs in my own community through subcontracts with Westinghouse, which I am sure members would endorse, without any scintilla of government assistance.

I want to say to the minister that this intervention, this folly on wheels, this elevated train system is, frankly, one of the silliest things I have encountered. And if the Minister of Education (Miss Stephenson) wants an objective opinion, she need not listen to what I say but to what the international experts across North America say on this. That is one example of what unfettered government involvement in our economy can do.

Frankly, I have a great deal of confidence in the new Minister of Industry and Trade, notwithstanding some disappointments I had about Astra Trust and Re-Mor; and if he were to be frank and candid, he would admit not only that Ontario's involvement in that proposition is variance with the mandate given by this Legislature but also that it is not in any way sensible in terms of deployment of Ontario taxpayers' dollars.

If this contract in Detroit or Vancouver were to go down, we would be on the liability side of \$1 billion in bid bonds. I do not need to elaborate on what difficulty we would have in putting our hot little hands on \$1 billion. We should be mindful of that as we approach Thursday's budget.

This is slightly off the topic—and I am going to conclude on this; you have been very toler-



ant, Mr. Speaker—but the international transit market is not all that sweet. The President of the United States is really not an aficionado of rapid transit; his idea of mass transit is five or six guys in a Lincoln Continental. The Canadian market is itself very depressed. Vancouver may well be the last Canadian market for that system. That is what this government and the minister's free enterprise friends in cabinet and in the Urban Transportation Development Corp. are doing with millions and millions of taxpayers' dollars.

I would like to respectfully suggest what I think might be a more effective deployment of that financial resource. I speak now of financial loans and assistance to small and medium-sized businesses. With respect, I think this probably is the most efficient and effective way to get a big bang for our buck in interest and assistance, in jobs and in taxes paid.

**5:40 p.m.**

I looked on the back of this very fine publication. I saw the minister having what I suspect to be a glass of Marechal Foch with my friend Don Ziraldo. It was not that long ago that Mr. Ziraldo and his friends in the Niagara Peninsula were asking for a little bit of assistance in the financing and development of the hybrid French viniferas, which are so vital and fundamental to the development of our own domestic wineries.

While I do not profess any great expertise in wine-making or grape-growing, it is my understanding that those grapes probably take a period of five, six or seven years and some fortunate climate before one is able to use them to the extent that Mr. Ziraldo does. That is a long time but, once you have put that money down, and if you can tolerate that length of time, you are going to get the payback that Mr. Ziraldo and some of his associates on the peninsula are going to get. And, frankly, I am impressed with it.

But there was not a great deal of government assistance for these people by way of loans, even—to be critical and objective—from the federal government. That, in my view, was short-sighted. I know that my friend the Minister of Agriculture, Mr. Whelan, professes that these are some of his favourite wines, if not his favourite wines; they like to get them on Air Canada. But the harsh facts of reality are that when some of these grape growers were requesting assistance from both the Ontario government and the Farm Credit Corp. they came back empty-handed.

I would like to suggest to the minister that he take up the fight, as he suggested he might have

to do, with other provincial ministers. I sent a note across today to his associate the Minister of Natural Resources (Mr. Pope) on the subject of a constituency concern of mine.

I have a gentleman in my riding who raises on his own trout farm—again without any government assistance—rainbow trout, speckled trout and lake trout. I have sampled them all, and they are all just fine. He has permits to breed them, of course, because in this province we require that, and I am not concerned about the permit feature. But he is not able to sell the lake trout as he is the rainbow and the speckled. They are fine-tasting fish. What we could be doing in this province is setting up these kinds of trout farms and encouraging private individuals, small businessmen and small businesswomen, to set up these kinds of things all over Ontario.

The minister should go to a grocery store and look at the amount of frozen fish we import from Norway, Denmark and Japan. I do not know whether the minister is a connoisseur of fish; again, I do not profess to be. But I know this: My friend who has the fish farm in Freelon produces a lot better-tasting fish than you can get flash frozen from Japan and elsewhere. This could be done here, and these are things that could reduce our balance of payments deficit. In fact, we should be exporting it, but for some silly reason that I do not understand, this man is not able to sell his lake trout. That is an area in the ministry I think we could be going after.

Before I conclude, I want to speak briefly about an area that I think is going to be very lucrative for us. It is something the Ontario government could do, which the federal government maybe has been a little reticent about doing sometimes. I refer to the aftermarket in the automobile industry.

In my own constituency, in the township of Flamborough, there is a gentleman who is making rocker arms under reasonably decent contracts with Ford and General Motors. He is a hard-working individual. If the member for Sudbury East had this case example, he certainly would have preferred to have used it here in the House. This man had to sell half his business when he could not get the financial assistance from this government and from the federal government to continue to allow him to expand. So he had to sell half of it. It was either accept that or be run out of business as the large American conglomerates were expanding. Fortunately, he finally got some federal business development assistance, and not only is he



surviving but I think he is on the verge of prospering.

That is a microcosm of what can be done in the development of our domestic auto parts industry. Certainly we have been suffering, but I would think that even this government is going to have the ministry fleet run a little longer than it used to. In our own buying habits, as individual car drivers in this province, we are probably going to drive our cars another year or so longer. Hence, that aftermarket is going to be a very lucrative thing for a long time or as long as we have high prices for automobiles and high interest rates to finance them.

I do not have a lot of sympathy for the people who put us in the economic mess in this province today, but I have sympathy for the current minister who, I think, is going to have a difficult job extracting the finances necessary to provide the financial assistance, through loans, to small and medium-sized businesses. If members sense that I have a bias in that regard, I do. I think it would be far more sensible to spend the \$88 million we put into the Urban Transportation Development Corp. into a pot to assist with small and medium-sized business loans.

I would direct the same amount of money we are putting into Suncor in a similar direction. It might not even be unfair to suggest that the \$10 million or \$12 million associated with the purchase of the Premier's jet could go in the same direction.

I believe other jurisdictions have done this and have done it successfully. I do not mean to undermine what has been done in the past in this province but, frankly, with almost 400,000 people out of work and the worst economic situation we have seen in the province for a long time—a sad reality—we have to start taking some bold new initiatives. I do not intend to be gratuitous but, of that entire cabinet, the minister may well be the only one—at least by virtue of what he says in print here—who has sufficient commitment to free enterprise and initiative to make that a reality.

As I conclude, I say to the minister that I am going to support his bill. I have no reticence about supporting it. It is vital to our survival in this province and to a healthy economic climate. I hope the minister will do two things. I hope he will actively do everything he can to remove the red tape and barriers I referred to very briefly through several examples. If he likes, privately I will favour him with more. I also hope he will aggressively seek out the financial assistance to provide the money for

these loans to help and stimulate the small businesses.

As the minister said in this brochure, every big business had a small beginning. I think we have all sorts of entrepreneurs and risk takers in this province who are still prepared, even with taxation situations that some of us may not be too happy about, to commit themselves, their families, their initiative and maybe their personal property to put up as risk or collateral, to pursue something they believe in. That is really what made us great, not the Ontario government's palaver about the Urban Transportation Development Corp. and certainly not the 1,000 people who, unfortunately, are out of work in Fort William.

I wish the minister well; he is going to need it.

**Mr. Stokes:** Mr. Speaker, it is quite obvious I had not intended to speak at this time on this bill but, because of the unavoidable absence of one of my colleagues, it is necessary for me to intervene at this time.

Through you, Mr. Speaker, I want to talk to the new Minister of Industry and Trade (Mr. Walker) on a number of topics that have concerned me since I entered this House in 1967.

Before I get to that, I want to echo some of the sentiments expressed by the former speaker, the member for Wentworth North (Mr. Cunningham). He spoke about the grape and wine industry. I am certainly one of the least knowledgeable members of this House with regard to the industry that is of such importance to people in the Niagara Peninsula. Having visited Essex and Kent counties, not this past weekend but the weekend before, and having visited with the member for Kent-Elgin (Mr. McGuigan) and the member for Chatham-Kent (Mr. Watson) I was made aware on visiting the Charal Winery in Blenheim just how important that is and can be to the economy of that area. I had the opportunity to sample some of that product, and it is as good as any I have tasted, and that includes a good many foreign wines.

5:50 p.m.

**Hon. Mr. Walker:** It's an excellent wine.

**Mr. Stokes:** It is. I got my daughter to take a case back north when she was moving upon graduation from the University of Western Ontario. I can attest to the fact that those people have something going for them in that area. If this ministry, along with the Ministry of Agriculture and Food and the Ministry of Consumer and Commercial Relations, can assist them in



any way, they should, because I think we have a winner there.

I was interested in hearing the member for Wentworth North talk about fish farming. I have raised this on a number of occasions in the past when I had my former responsibilities as critic of the Ministry of Natural Resources. At one time when I was the critic of Stanley Randall, when he had responsibilities similar to those of the present minister, I raised those issues with him. Having had an opportunity to see what they do in Japan with regard to fish farming, I can attest to the fact that it works for them and I have no reason to believe it would not work for us.

I was going over a speech the Minister of Natural Resources made this past Saturday in the Ear Falls-Red Lake area about various programs for which he is responsible. He was speaking to the tourist industry and mentioned fish and wildlife management along with strategic land use planning and the multiple use concept with regard to land use and land use planning in northern Ontario.

I can recall he said they were thinking more in terms of natural replacement of our fishery resources rather than on a put-and-take basis. I can attest to the fact that it is working very well in Japan. In Japan, one can see Pacific salmon coming up the rivers to spawn and one can see the tremendous success they are having with that program. Either the next time this minister is in that part of the world or the next time he sends anybody there, somebody should take a good look at it.

That is not really what I want to talk about now in connection with the establishment of this ministry and Bill 38. I want to remind the minister, if some of his staff have not already done so, that when the Treasurer had responsibility for regional economic development in this province—I recall Charles MacNaughton when he was the Treasurer having the responsibility for regional economic development—we had 10 regional economic development councils throughout the province.

I cannot attest to how well those regional councils worked in other areas of the province, but I can tell members that the one we had in northwestern Ontario worked better than any other in the province. It worked well because there was local involvement. I do not mean just

local involvement by chambers of commerce and others with a vested interest. They had interministerial people from Treasury, from Municipal Affairs, from Northern Affairs, and at that time from the Ministry of Mines and from Tourism and Information. All those ministries that had in any way some responsibility for economic development in the province used to meet within the interministerial committee, with the business community and with the municipal representatives who were charged with the responsibility of coming up with programs for regional economic development.

The secretary-manager, whose name was Alexander Philips, was perhaps Mr. Northwestern Ontario. He was a person with a very keen knowledge and awareness of the potential in northwestern Ontario. He had an excellent rapport with anybody who was in any way interested and concerned about regional economic development, and I can attest to the fact that it worked extremely well. This government, in its wisdom, decided there was a better approach, a better way to go. It decided that regional economic development councils were no longer the vehicles for the sponsoring of economic development. It did away with them, much to the consternation, surprise and dismay of all those people in the private sector and the public sector who had a responsibility for making that initiative work.

What did we get in their place? We got something that was referred to as Design for Development. We had such a plan in northwestern Ontario; there was also a plan in northeastern Ontario. There was even such a plan, under the auspices of that program, for the Toronto-centred region.

I can remember reading some of the recommendations for economic development in the Toronto-centred region. One of the things it said, and it caused a great deal of concern in northern Ontario, was that, given the strategic location within the Canada-US megalopolis of Metropolitan Toronto and the Golden Horseshoe, that area had an opportunity to look forward to great economic activity, development and expansion by processing the resources that would be brought down from northern Ontario in ever-increasing amounts to satisfy the needs of the industrial and commercial complex in the Toronto-centred region.

Just by way of a little bit of historical background, I want to remind the minister, because he has not had an opportunity to do all the background reading that went on with regard to this government's responsibility for industrial expansion and the creation of jobs and —

**The Acting Speaker (Mr. Cousens):** The member may find this a suitable moment to adjourn the debate, as it is close to 6 o'clock.

On motion by Mr. Stokes, the debate was adjourned.

The House adjourned at 6 p.m.

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No. 46

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Tuesday, May 11, 1982  
Afternoon Sitting

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, May 11, 1982

The House met at 2 p.m.

Prayers.

## ORAL QUESTIONS

### HYDRO STAFF

**Mr. Peterson:** To the Minister of Energy, Mr. Speaker: The minister will be aware that in the last five years, the manpower of Ontario Hydro bureaucracy has grown some 28 per cent and that its office space requirements have grown some 39 per cent. During that time, demand has grown 4.8 per cent, or a little less than one per cent a year.

Can the minister justify this explosion in Hydro bureaucracy when, in fact, demand is almost flat or, at least, rising proportionately less than the great bureaucracy there to handle it?

**Hon. Mr. Welch:** Mr. Speaker, if memory serves me correctly, this matter was the subject of a fairly large article a week or two ago in one of Canada's newspapers. As one analysed that particular story, and as I sought some advice on that particular matter, I think it is not fair, necessarily, to be relating the size or the growth of staff to the demand.

I am advised that there is emphasis at the moment in the planning with regard to the nuclear option, which is fairly labour intensive. The honourable member would know that is far more labour intensive than some of the other options, and that there is every justification for that particular increase related to the future plans of that great corporation.

**Mr. Peterson:** The minister will be aware, I am sure, of the Ontario Energy Board's findings last year: "The board is also concerned about the growth in Ontario Hydro's administrative staff, and the absence of appropriate performance measurement as to whether such additional staff is making a net increase or decrease to operation, maintenance and administration costs." The findings went on to say that on the issue of staffing, board counsel noted that Ontario Hydro did not know the number of employees for the corporation in 1982.

In view of the fact that, in 1979, the ministry promised to create a memorandum of under-

standing with Hydro which would clarify the responsibilities for government policy, are we to interpret that government policy as directed towards Hydro is to inflate the bureaucracy? If that is not government policy, where is that memorandum of understanding that is supposed to lay out those responsibilities?

**Hon. Mr. Welch:** As I have listened to the supplementary, there are two questions: The answer to the first is no. The answer to the second is that we are just about completing our negotiations with Hydro with respect to the memorandum. When those are completed it will be filed.

**Mr. Foulds:** Mr. Speaker, do I understand the minister's first reply to be saying that the amount of planning, design, etc., required for the nuclear options, is excessive in comparison to planning and design for thermal and hydraulic plants and that is the reason for the growth in the bureaucracy at Hydro?

Secondly, may I ask the minister what he and his ministry have done to try to rein in that growth of bureaucracy at Hydro?

**Hon. Mr. Welch:** Mr. Speaker, there are two parts to that. I would not use the word excessive. The point I was trying to make is that it is more labour intensive; that is, the planning and the work—

**Mr. Foulds:** It costs more.

**Mr. J. A. Reed:** It is less efficient.

**Hon. Mr. Welch:** Wait a minute now. When you start getting involved in cost comparison with the nuclear, the nuclear option shows up extremely well. The member would know that.

**Mr. Foulds:** As long as one takes out the planning part, the cost of the planning.

**Hon. Mr. Welch:** I would not use the word excessive at all. It is explainable by virtue of the labour requirement system.

**Mr. Peterson:** How can the minister argue that now it requires more planning than it did to create Bruce and Pickering and a variety of other megaprojects in which your government participated, in the face of the incredible waste and errors of judgement that will be costing electricity consumers in this province billions of dollars over the next few years?



I give you some examples: \$45 million lost in the Petrosar deal; \$500 million will be lost because Hydro did not realize the price of uranium would be going down; \$460 million lost in mothballing Wesleyville; another \$485 million lost for not going ahead with the Bruce heavy water plant—billions of dollars of waste.

Is it the minister's response that more planners are needed to make sure that this does not happen again? Does the minister not feel that he has to start exercising control over Hydro, or is he going to be content, like all the previous ministers, to let them control him?

**Hon. Mr. Welch:** Perhaps the most direct response is to share with the Leader of the Opposition, comments which I shared with the author of the article that has become the source of his research for his questions today, and to simply say that hindsight is always 20-20. No doubt the Leader of the Opposition has the benefit of looking back and trying to ascertain the wisdom of decisions on the basis of the current day.

I am prepared to accept the fact that very responsible people, faced with the circumstances of that particular time, made very responsible decisions. The fact that events indeed may have altered over that period, provides the honourable member with the opportunity to raise this type of question. I have confidence that the people of Ontario are in a very fortunate position to be able to rely on the security of supply because of the decisions that have been made from time to time over the years by this corporation.

**Mr. Peterson:** The minister alone has confidence, let me say.

2:10 p.m.

## HYDRO EXPORTS

**Mr. Peterson:** Mr. Speaker, I have a question for my friend the Minister of the Environment (Mr. Norton). The minister is aware that the Premier (Mr. Davis), when speaking in North Bay on March 30, unintentionally misspoke himself when he said:

"Present projections of availability of coal-fired baseload capacity of the US systems to the west of GPU indicate that there may be little or no excess capacity in associated energy from those systems after 1990."

That was the evidence that Ontario Hydro submitted to the National Energy Board, yet the Premier said in North Bay that if General Public Utilities cannot buy electricity from Ontario

Hydro they would get it from the dirtier plants in the United States which would increase the acid rain. Is the minister not aware of the Premier's statement on that occasion and that his facts were wrong? Will the minister use this opportunity to clear up the misstatement that was made at that time?

**Hon. Mr. Norton:** Mr. Speaker, I did not have the pleasure of being in North Bay at the time with the Premier to hear specifically what he said.

**Mr. Nixon:** Don't you read his speeches?

**Hon. Mr. Norton:** No, as a matter of fact I do not always have the opportunity to read each and every one of his speeches.

It is my understanding, as a matter of fact, that in that hearing that took place in the United States, when asked what their alternatives were if they did not proceed with the particular contract with Ontario Hydro, GPU did indicate that Ohio would be an alternative. That clearly is not a particularly clean source if they will be using existing plants in Ohio to produce the coal-fired power.

**Mr. Peterson:** They don't have the capacity. Hydro's submission is that they don't have the capacity.

**Hon. Mr. Norton:** Again, I did not see all of the information that Hydro may have submitted in the hearings before the National Energy Board but I can only repeat what I understand is the case in terms of GPU's testimony and hearings in the United States.

**Mr. Peterson:** Given the fact that Hydro itself says that there is not the capacity in the Ohio valley to honour that commitment and given the fact that the acid rain will be six times worse in Ontario if that electricity is produced here by coal-fired generating stations than it would be in the Ohio valley, is it not the minister's responsibility as the spokesman for the environment in Ontario to bring these concerns to the attention of the public and to at least make sure that the Premier is not inadvertently misinforming himself as well as the people of this province? Can this not be solved by bringing it to a public hearing so the facts are brought out for everyone in the province?

**Hon. Mr. Norton:** Mr. Speaker, I sometimes wonder if it is worth the effort that we, on this side of the House, put into answering such things as questions on the Order Paper that are placed there by the researchers of the members opposite or whether, once we have gone to all that trouble, they ever bother to read the

material. The fact of the matter is that the Leader of the Opposition knows not of what he speaks. His facts are wrong, he is ill-informed and yet the information exists in the answers that I have already tabled in this House.

**Mr. Nixon:** You sound like the Minister of Energy on the Suncor question.

**Mr. Speaker:** Order.

**Mr. Charlton:** Mr. Speaker, the minister's response to the Leader of the Opposition's first question about Hydro's presentation to the NEB and the real situation south of the border in terms of capacities and excess capacities and the alternatives in terms of GPU seeking power, clearly indicates that the minister has not made himself fully aware of the kinds of things that are being said publicly on this side of the border. If we are going to get a snow job, we would at least like clean snow—

**Mr. Speaker:** Now do you have a supplementary?

**Mr. Charlton:** Does the minister not think it is his responsibility to at least make himself aware, in a situation like this, of all of the facts?

**Hon. Mr. Norton:** Mr. Speaker, after the member's reference to "snow job," my colleague to my left said, "Leave me out of this." However, I am well aware of what is being said publicly on this side of the border. In fact, I am also reasonably well informed about what is being said publicly on the other side of the border as well. But I think that much of what is being said on this side of the border is based on unsubstantiated statements and incomplete information on the part of individuals who choose not to use the correct information we are making available.

Interjection.

**Hon. Mr. Norton:** Like who?

**Mr. Peterson:** You are referring to the Premier (Mr. Davis).

**Hon. Mr. Norton:** No, I am not. What the Premier said, I believe, is correct.

The fact of the matter is that there are many other interest groups and groups of individuals who have specific interests, who are single-issue oriented, who choose to ignore not all of the facts, but those facts that do not support the position they wish to put forward.

I think the member for Hamilton Mountain should look at what I have tabled in this House in answer to Order Paper questions. It is as available to the member as it is to the Leader of

the Opposition (Mr. Peterson), and I would highly commend it to him for reading.

**Mr. Peterson:** The minister's theory now, I gather, is that those people who speak out against GPU from Ontario's point of view are in alliance with or in conspiracy with the coal-burning interests in the United States. That was the minister's last point.

The minister is the one who is suppressing the information; he is the one who is not allowing a public hearing; his Premier is uninformed on the issue; Hydro has a different point of view. Is it not the minister's responsibility to make sure there is a public hearing so these facts can come out, or is he just going to run around like the rest of the cabinet saying that only he knows the truth and not sharing it even with members of his own cabinet?

**Hon. Mr. Norton:** Nothing is being withheld by way of any information that is public. I have tabled much of what the Leader of the Opposition is asking for in the House today. He has already got it; it has been stated publicly by me and others. The fact is that certain individuals are making public statements and issuing press releases purportedly based on certain facts that are completely wrong.

**Mr. Peterson:** You mean John Fraser.

**Hon. Mr. Norton:** No, not John Fraser. I am speaking of those who talk in terms such as, "If this goes forward, 60 lakes will be lost." That is garbage. Nobody can substantiate that kind of statement. Even the allegations that are being made about increased emissions and so on totally ignore such simple facts and realities as the existing order on Hydro.

That is not to say that there is no concern. I am concerned about the issue and I am concerned about where it is going to lead. My colleagues and I have discussed certain aspects of this at this stage, and they are well aware of the concerns I have. But even though I may have ongoing concerns I am not going to stand back and be silent when people are disseminating false information.

#### POVERTY LINE

**Mr. Foulds:** Mr. Speaker, in the absence of almost every minister of substance I will put a question to the Deputy Premier.

Is he aware that for about \$650 million, which is about the same price the government paid for a quarter of Suncor and about the same price it paid to settle with the medical profession last week, he could raise above the poverty line a



half a million people in this province who are presently living below the poverty line? And is his government willing to take steps to do that?

**Hon. Mr. Welch:** Mr. Speaker, perhaps the most straightforward answer to this question is to point out that the Treasurer (Mr. F. S. Miller) of the province will be introducing his budget on Thursday evening next. Indeed, it seems to me, as one who is regularly in his seat in this House, I have heard not only the Treasurer but also the Premier and the Minister of Industry and Trade (Mr. Walker) respond to similar questions and indicate in a very positive way some of the initiatives this government has been associated with to respond to the situation to which the member makes reference.

As far as further initiatives are concerned and additional directions that may be taken, I think we only have to wait until Thursday evening to have the statement of the Treasurer.

**Mr. Foulds:** As the government has endorsed the principle of catch-up for the medical profession, which is at the high end of the earnings scale, does his government endorse the principle of catch-up for those living at the lower end of the economic scale?

**2:20 p.m.**

Does the minister realize that, since his government's so-called restraint program was instituted in 1975, a disabled person in this province has lost 16.2 per cent of his buying power, and a mother on general welfare assistance with one child has lost 23.4 per cent? Is he willing to give this House his assurance those figures will be reversed and the buying power of those people increased so that they can catch up, not only to their previous incomes but to the poverty line?

**Hon. Mr. Welch:** I think the record of this party in government in responding to its social responsibilities is quite open for all to read. It has attached a high priority to these social and health needs.

**Ms. Copps:** Mr. Speaker, this government is so concerned that the Treasurer (Mr. F. S. Miller) himself refuses to endorse a proposal to triple Canada pension plan disability benefits because only 40 per cent of the people on disability benefits are below the poverty line. That is how concerned the government is.

**Mr. Speaker:** Is that a question?

**Mr. R. F. Johnston:** Mr. Speaker, I have a question for the Deputy Premier. His government has been willing to give a billion dollar

settlement to the doctors to add to their already affluent position in this society. Why will he not guarantee today that he will make sure people at the lower end of the economic scale are covered in the budget?

Is he not aware that general welfare assistance recipients, such as a mother, father and two children, have lost 23 per cent of their earning capacity since 1975; that a mother with one child has lost 14.8 per cent under the Family Benefits Act and that a guaranteed annual income system for the disabled family with a mother, father and two children has lost 16.2 per cent? Why will he not give them catch-up? The government is willing to be generous with the doctors, but what about the poor in this society who keep getting poorer?

**Hon. Mr. Welch:** Mr. Speaker, it is important to have the record clarified as far as the settlement to which the honourable member makes reference is concerned. It is a settlement which is less this year than last and the figures he banters around are perhaps those to be associated with a five-year settlement, so we must keep things in proper perspective.

This government is prepared to be judged on the response it makes to sensitive needs in the social area. One only has to look at the budgets of this province over any period of time to see the high percentage of that budget which goes into the social area to respond to the very needs to which the member makes reference.

#### ASSISTANCE TO HOME OWNERS

**Mr. Foulds:** Mr. Speaker, in the absence of the Minister of Municipal Affairs and Housing (Mr. Bennett), I return to the Deputy Premier.

Can he tell us what steps his government is willing to take to relieve the shortage of affordable housing in Metro Toronto when the average-priced home in Metro Toronto requires an income of \$55,467 to purchase, which is 81 per cent above the average Metro income? Even yesterday's leaked program for housing requires an income of \$52,000, some 69 per cent above the average family income in Metro.

**Hon. Mr. Welch:** Mr. Speaker, it seems to me that over a period of time a number of questions have been directed to my colleague the Minister of Municipal Affairs and Housing with respect to policies related to his area of responsibility. I am not able to respond in particular on the area to which the honourable member refers, but I will be glad to draw that to my colleague's attention.

As a result of the exchange in the House

yesterday, I thought the Treasurer through his comments handled the latter part of that question. If there are any particular initiatives, they would form part of the general budgetary policy of the province and would be in the budget to be made public when the Treasurer rises in his place on Thursday evening.

**Mr. Foulds:** Mr. Speaker, when the minister is having his little chat with the Treasurer and the Minister of Municipal Affairs and Housing about these matters, will he draw to their attention that the much-vaunted Ontario rental construction loan program has supplied only 1,355 units for Metropolitan Toronto, which has 25 per cent of the housing needs of the province. Of these units, only 337 starts will be allocated to low-income and rent-geared-to-income housing, when there are something like 20,000 to 30,000 people on the waiting lists for those kinds of housing?

**Hon. Mr. Welch:** Mr. Speaker, I will be very happy to draw the attention of the Treasurer and the minister of housing to the figures quoted by the honourable member.

**Mr. T. P. Reid:** Mr. Speaker, would the Deputy Premier also bring to the attention of the Treasurer that this party is concerned about those people who may lose their houses because of the economic situation and the high interest rates; that we would like to see some program to ensure that those people who already have houses do not lose them?

Second, the minister has been here a long time, longer than most; would he not agree with me that if the leak from the budget we heard about yesterday is reality, and that if those rumours are fairly close to the fact, he, as a man of principle, should feel it incumbent upon himself to resign? I am sure he will give the Treasurer that advice as well.

**Hon. Mr. Welch:** Mr. Speaker, that is a two-part question. The first part: I would be happy to include in my conversation with the Treasurer and the Minister of Municipal Affairs and Housing the honourable member's comments in connection with mortgage rates.

Second, it is my understanding that the Treasurer responded personally to the matter of any proposed part of his budget, that he handled that very well yesterday in his place when he responded to the questions put by the honourable member.

**Mr. T. P. Reid:** The minister is getting more like the Premier every day.

**Hon. Mr. Welch:** I agree.

**Mr. Foulds:** Mr. Speaker, a final supplementary I would like to draw to the attention of the Deputy Premier: Do he and his government realize that the problem of housing is not only in Metro Toronto, but across the province? For example, in order to buy the average-priced home in Thunder Bay today, 51 per cent of the average industrial income is required.

What kind of steps is the government taking in terms of bringing down interest rates, and preventing mortgage foreclosures, to allow people with the average industrial income to buy a home in ordinary communities like Thunder Bay?

**Hon. Mr. Welch:** Mr. Speaker, the member knows this line of questioning has been addressed to the Treasurer, to the Premier (Mr. Davis), and to the Minister of Municipal Affairs and Housing quite consistently, and we have pointed out from where the leadership must come with respect to interest rates in this particular country. The member knows that.

Second, this government hardly has to be lectured on the fact that when it initiates policy in any area, be it housing or anything else, it is for the entire province, and not just a part of the province.

#### COMPENSATION FOR UFFI HOME OWNERS

**Hon. Mr. Elgie:** Mr. Speaker, yesterday the member for Welland-Thorold asked a question of the Minister of Energy related to the possibility of provincial contribution to the proposed federal assistance program for home owners with urea formaldehyde foam insulation. I wish to advise him that the provincial government has no intention of participating in the federal government program.

As we have said before on repeated occasions, the UFFI problem is one created by federal initiatives, under the Canadian home insulation program, known as CHIP. They have created the problem and they should solve it. While I applaud the direction in which the federal government is moving, providing for some relief for UFFI home owners, I wish to express my concerns with its proposal.

Their proposed approach provides an untried solution to an uncertain problem. The subsidy provided is not likely to cover the cost, but will encourage contractors to enter this field to carry out work in an area in which they may have no experience. It is a situation in which contractors might easily substantially underestimate or overestimate the cost of removing the



UFFI. If they underestimate, there might be financial failures of contractors, which would leave homes partially torn apart in the process of removal.

The federal government must give much more thought to its proposed program, and must provide many more safeguards if it wishes to avoid creating an even greater problem for home owners in attempting to solve the health problem created by the program.

**Mr. Swart:** Mr. Speaker, I have a question relative to the minister's statement that the Ontario government is confirming over and over again that it has no responsibility in this. Is the minister unaware that a member of his own party, Conservative Donald Blenkarn, the member of Parliament for Mississauga South, said last Saturday to the assembled group out here that the provincial government should take a share of the financial responsibility for retrofitting the UFFI homes? He also said he would be contacting this government to urge it to do so.

2:30 p.m.

In view of that, the responsibility the government has for the healthy condition of premises, which cannot be denied, and for assessment, and in view of the fact that the former Minister of Consumer and Commercial Relations stated—it is in the Hansard record—that the government could have prevented the use of UFFI under the building code, how can the government say it will not take a share of the responsibility for correcting this situation?

**Mr. Kerrio:** Yes or no?

**Hon. Mr. Elgie:** Mr. Speaker, I know it has to be that simple for the honourable member to understand it. I understand that, but unfortunately it is one of those complex issues that requires a little more elaboration. I know we will lose the member in the process—

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Elgie:** —but I think it is worthwhile explaining it.

Interjections.

**Mr. Speaker:** Order. Would you answer the question now, please?

**Hon. Mr. Elgie:** Mr. Speaker, I think we have to go back to first principles. I know that may be difficult for some. The fact of the matter is that CHIP was a federal program, which this government did not piggyback on. Under the building code the use of UFFI was never

approved because there were certain aspects as to its effect—

**Mr. Swart:** It was never prohibited, which could have been done.

**Hon. Mr. Elgie:** Does the member want an answer or does he want to talk? I understand he likes talking, but he should try listening once in a while.

It was never approved because we were not satisfied as to its effectiveness as an insulation product. There had never been any involvement up to that point. In the absence of any federal interest in the plight of home owners in this province, as the member knows, the then Minister of Health initiated some testing programs at considerable cost to the public of this province, when no one else was prepared to do anything. I have to say the federal government is making it very clear it wants all the credit for every program it is initiating. Let it have it and let it correct this problem.

I do not blame the leader of the official opposition for being concerned about the chain around his neck. It is a difficult one to handle.

**Mr. Mancini:** Mr. Speaker, at one time we used to hear from the Minister of Consumer and Commercial Relations how concerned he was about problems. He is now no longer concerned about anything, particularly the home owners with the UFFI problem.

In view of the fact that section 7 of the Public Health Act outlines very clearly that Ontario has jurisdiction and responsibility when premises are injurious to the public health, why does the minister not live up to the obligations under section 7? Will he make money available to assist the UFFI home owners? Yes or no?

**Hon. Mr. Elgie:** Mr. Speaker, I do not think there are many people who will say that when this minister has had legitimate concerns about a problem he has not put those concerns into action. That is not always popular everywhere, but nevertheless it is a habit I have got into.

I have to say to the member this is a chain around his neck, whether he likes it or not, because of his friends in Ottawa. Get them to accept the responsibility. Listen to the Home Owners with Urea Formaldehyde Foam Insulation who say, "To talk about provincial responsibility is a red herring." The member should listen to the facts and try to do something about them. They are not listening to common sense up there.

**Mr. Wrye:** The cabinet ministers opposite could probably have a convention of concern if

they wanted. They just do not do anything about the problems.

#### MINISTRY OF HEALTH ADVERTISING

**Mr. Wrye:** Mr. Speaker, I have a new question for the Minister of Health about an ad that appears in today's editions of all three Toronto dailies with the headline, In Toronto We're Helping to Turn Fear into Hope. This ad talks about the new Toronto-Bayview Cancer Clinic which will be providing treatment and research against this terrible disease which kills so many people each year.

Before I get to the question, let me make it clear to the minister that I have no objection to this new centre as such. I think he knows that members from all parties are most sensitive to the role the government can play in this field. My question is: Every time the government does anything to fulfil the very reason for its existence, why does it then have to pat itself on the back? Could the minister tell me how much the production and placing of these three ads cost? Why does he spend money like this when so many other health care matters are being left unattended?

**Hon. Mr. Grossman:** Mr. Speaker, the ministry feels quite sincerely it is important that the public of this province, which pays a great deal of money—in fact, almost 30 per cent of the provincial budget—towards health care, understands that services are being put in place to look after their interests.

I understand the politics which require the opposition to have a certain imperative, to travel the province and come back with a report which points out what they believe to be shortcomings in the health care system; that is their job. I respect their right to do that. In fact, I respect their right to relay general impressions they have which may or may not be accurate. I even respect their right to be wrong, which they were on most of the points that their health committee raised.

None the less, the reality is that the people of this province, including those people they visited in many communities and in front of whom they did a great of hand wringing to let them know that in the opposition's opinion the system was underfunded, do have to be assured that there are things happening in various parts of this province which will ensure that if they need those services they are put in place.

The opposition cannot get in a situation where they can expect to go into places like Sudbury, as they did, and raise some concerns

—and I understand their concerns—about cancer facilities there. My parliamentary assistant (Mr. Gordon) has spoken eloquently to me and the ministry on those issues for a long time before the member even heard about Sudbury, let alone health care issues.

It is very important for the people of Sudbury to know that at a hospital—i.e., Sunnybrook—which is specifically designated to treat people coming in from northern parts of this province that cancer clinic is in place, the government and the taxpayers have invested a lot of money in that particular institution and it is available to them to be used as they need it.

I happen to think that is very important. The opposition happens to think it is important for their political purposes to let people believe the system is underfunded and falling apart. In our role as governors and as guardians of the public health, we happen to think the taxpayers should also know their money is being spent in the proper places, where it is being spent and that the services are in place.

I will wait until the member hands that paper to the member for Hamilton Centre (Ms. Copps) so she will know how to ask the supplementary.

**Mr. Foulds:** Stop abusing question period.

**Hon. Mr. Grossman:** Well, Jim, I have the right to talk here while she reads it.

**Mr. Speaker:** Order. Never mind the interjections.

**Hon. Mr. Grossman:** I have to give her a chance to read it.

**Mr. Speaker:** Order. We are addressing the question of the member for Windsor-Sandwich.

**Hon. Mr. Grossman:** In simple terms, it is important for the people to be reassured that we continue to have the finest health care system in the world right here in Ontario.

**Ms. Copps:** Mr. Speaker, it is incredible. From the answer the minister has given, he is telling the House—and he may clarify it—that the reason he ran the three ads in the Toronto papers today was because the Liberal Party got some information out to the people across this province and he wanted to balance that information.

**Mr. Speaker:** Supplementary, please.

**Ms. Copps:** Is that the reason? If the minister has received a presentation from his parliamentary assistant, I would have to say I believe that the minister—and he may be able to tell me—must be missing the point.

**Mr. Speaker:** Question, please.



**Ms. Copps:** The people of Sudbury are concerned about a full cancer clinic in Sudbury. Why is he talking about continually sending them down to Toronto for cancer treatment when he knows a full treatment facility is needed in Sudbury and some of the money used in these advertisements could have been better put towards that treatment centre?

**Hon. Mr. Grossman:** Mr. Speaker, if the member will look at what the ministry has been doing for some time, that is not the first ad we placed. In fact, the ministry has been placing—

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Grossman:** The member for St. Catharines (Mr. Bradley) has just confirmed that the ministry was advertising some new facilities it has put in long before the member for Hamilton Centre got her consolation prize of a health care committee to travel the province. Lest she believe that we are running these ads to respond to the concerns she raises, let me tell her that if I were concerned about it, it would be cheaper for me to send a personal letter to each of the 10 people who appeared in Timmins in front of her health care committee, or each of the seven people who appeared in Sudbury.

**Mr. McClellan:** Mr. Speaker, I think this question originally had something to do with government advertising, and I notice that the new minister is as enthusiastic as his predecessor was in blowing his own horn about Ministry of Health projects.

May I ask the minister, therefore, why his advertising program always ignores the Ontario health insurance plan premium assistance program in this province, on which almost nothing has been spent? I think the government has spent \$20,000 on it out of a zillion-dollar budget, and most people in Ontario obviously do not know the details of the premium assistance program. If he is going to advertise, why does he not do a service to the people instead of the kind of self-service that has obviously become traditional over there?

**Hon. Mr. Grossman:** Mr. Speaker, I think this government has done an excellent job in getting that information out there in every way possible. If the member has any creative ideas on how we can do a better job of getting that information out there—which would be pressure on him, I know—then he should feel free to write me. I cannot promise to put his name right under mine in the ads we run, but I know his

main interest is in getting the information out there. If he has any ideas I will look forward to receiving them; if he does not, when we get to estimates I am going to remind him he did not have any ideas.

I would not want the second part, or really the only part, of the Liberal Party critic's question to go unanswered, and it was—

**Some hon. members:** Order.

**Mr. Speaker:** Order.

**Hon. Mr. Grossman:** Fine. If you don't want the answer, that's okay.

#### TAXING OF DAY CARE CENTRES

**Mr. R. F. Johnston:** Mr. Speaker, I have a question for the Minister of Revenue concerning his decision last fall to change his assessment policy so that he would start assessing the real property tax value of day care centres in schools.

Is the minister aware that the Toronto Board of Education last night reported that in more than 50 schools which are providing day care services at this point an assessment could cost as much as \$156,958 to the board or to the users of the facilities? What advice can the minister give that board? Would he suggest that they raise the mill rate to pay for this? Or does he think they should charge a fee per unit to the users of the facility?

If they did that at Hughes Public School the cost would be about \$356 per student that would have to be picked up, at Montrose school it would be \$198 per unit and at Rosedale it would be \$168 per unit. What is his advice to them? Should they raise the mill rate or just charge the users that much money for every student who goes there?

**Hon. Mr. Ashe:** Mr. Speaker, as I have indicated on other occasions when a similar issue has come up, I think there was no change in the policy in the Ministry of Revenue vis-à-vis assessing this type of facility being used in school properties. I would grant that it has only become a relatively recent phenomenon to use excess space in schools for day care, among other things, albeit that is the most prominent one.

We were not pushing it. The reason we did this is that one of the municipalities in Metropolitan Toronto contacted the ministry and said, "Hey you fellows, you should be assessing these day care centres." Accordingly, they sent us a list from North York and told us to get on the job, which is exactly what we did.

I appreciate that since that time the munic-

ipality, among others, has kind of had a change in position. We are examining the whole issue of exemptions from taxation, including the use of school properties which in themselves are exempt for normal school purposes, at the request of cabinet. We are examining the whole issue and we will be making a cabinet submission very shortly on the issue, including the disposition of the day care question.

**Mr. R. F. Johnston:** I am very pleased to hear that the minister is reassessing the position. Perhaps he will now understand it is better not to listen to Mel Lastman, as many of us have thought for some time.

When the minister is making those considerations before cabinet, will he not consider the fact that in the day care centres in more than 50 schools in Toronto, 28 per cent of the spaces are subsidized spaces? When he is talking with the Minister of Community and Social Services (Mr. Drea) and the Minister of Education (Miss Stephenson), will he consider that people are being taxed twice for the same kind of facilities and that makes absolutely no sense at all? Would he recommend to cabinet that day care centres within schools should not be taxed at all?

**Hon. Mr. Ashe:** It is amazing that the reference is made to the Toronto Board of Education. In my reading of the press recently, it seems to me they are taking many initiatives with no consequence or concern about the cost implication. So why all of a sudden there would be concern on this, I am not sure.

To get back specifically to the whole issue, there is no doubt at all it is an issue that has many facets to it. It is not quite as simplistic as the member would suggest. There is such a thing as a marketplace out there. If he thinks it is proper planning to suggest that somebody, because they have 20 spaces in here, should be tax exempt and in so doing put a private entrepreneur with 20 spaces down the street out of business, I do not. He may, but I do not. There is a little bit more to the issue than his simplistic view of it may perceive.

**Mr. Sweeney:** Mr. Speaker, we are dealing with a public service, day care in a public building, namely a school. I notice on the Order Paper that the member for High Park-Swansea (Mr. Shymko) is recommending that a day care centre be set up in this building. If that happens, are they going to be taxed as well?

**Hon. Mr. Ashe:** Mr. Speaker, as I indicated before, the whole policy of exempt businesses,

whether it be day care or other things, is being examined regardless of the location. There are others even within other post-secondary school institutions that have had rulings on them in the past in favour of the policy that is within the act. If we are going to change that, a change in the act or other relevant legislation will be appropriate. In due course that will come forth for the information of the members.

#### SALES TAX EXEMPTION

**Mr. Breithaupt:** Mr. Speaker, I have a question of the Deputy Premier in the absence of the Treasurer (Mr F. S. Miller) and with a further suggestion for the Treasurer.

Since Quebec is the only other province in Canada that taxes shoes and then only on sales above \$125, and since our provincial sales tax exemption of \$30 was set in 1974, will the Deputy Premier encourage the Treasurer to consider at least raising the exemption to \$60 in order to improve production and sales of good quality, Ontario-made children's shoes?

**Hon. Mr. Welch:** Mr. Speaker, I will be very happy to draw the member's observations to the attention of the Treasurer.

**Mr. Breithaupt:** While the Deputy Premier is doing that, would he ask the Treasurer to consider that any possible loss in provincial sales tax in this area would more than likely be made up by far fewer health dollars being spent on foot care and, therefore, it may be to the advantage of the entire system?

**Hon. Mr. Welch:** I will pass the comments along without any particular expression of opinion on that.

**Mr. Foulds:** Mr. Speaker, while the Deputy Premier is acting as a conduit of information to various cabinet ministers, will he ascertain what effect such an exemption would have on the currently beleaguered shoe industry in Ontario which has faced massive layoffs in the past year?

**Hon. Mr. Welch:** Yes, Mr. Speaker, I will be glad to include that.

2:50 p.m.

#### NURSING APPLICATIONS

**Mr. Grande:** Mr. Speaker, my question is to the Minister of Colleges and Universities.

In view of the fact that there are documented critical shortages of nurses in the province, in Metro Toronto and northern Ontario in particular, and in view of the fact that all community colleges have applications that far exceed the number of places available—one example is



Humber College, with 2,000 applications for 130 spots—what has the minister done or what is she planning to do to ensure that our hospitals and clinics have the nurses needed to look after the health of Ontarians and at the same time stop forcing Toronto Western Hospital, Women's College Hospital, Humber Memorial Hospital and the Hospital for Sick Children to recruit in the United States and England for qualified nurses?

**Hon. Miss Stephenson:** Mr. Speaker, in addition to having what would appear to be a relatively adequate enrolment within the schools of nursing in the province, there are, I believe, 25,000 registered nurses in the province who could be recruited for part-time work in hospitals in almost any area if there were some flexibility on the part of hospitals in terms of the hours of work which the nurses are required to fulfil.

The problem of the valleys and peaks of nurse employment is not limited to Ontario. It is a problem that is shared by almost all jurisdictions in the western world. As long as we continue to provide an adequate number of spaces for nursing, for the graduates to be employed within Ontario, it would seem we are meeting the requirements of the health care system of the province.

**Mr. Grande:** Was the minister not made aware by Mr. R. W. Struthers, the manager of the college program section in her ministry, of a letter from Doug Light of George Brown College? Let me read the letter in totality so the minister can pick it up when she goes back to her office. It says:

"Re: Freshmen Intake, Diploma Nursing Program, George Brown College.

"George Brown agreed to increase the number of new entrants to our diploma nursing program by 50 students in 1981-82. That would mean an increase of four teachers and seven teachers in 1983 and 1984. My budget forecasts for the next few years suggest that it is not possible to accommodate this increased staffing without serious consequences in other areas of the college. As a result, George Brown will not continue to admit the extra 50 students agreed upon last year, starting September 1, 1982."

Is the minister aware that the reason why 50 new positions for nurses have been cancelled at George Brown is the underfunding of the community college system which she has been doing and continues to do?

**Hon. Miss Stephenson:** I do not believe the

argument presented by the honourable member is entirely valid.

**Ms. Copps:** Mr. Speaker, the minister knows that some hospitals have tried to be flexible. In particular, I point to Riverdale Hospital in Toronto, which not only has tried to allow nurses optimum working conditions but also has had a day care centre there since 1964 to try to attract help. They have bent over backwards in an effort to be flexible, yet they are being forced to recruit in England because they have more than 100 positions vacant that cannot be filled by nurses in Ontario.

**Hon. Miss Stephenson:** Mr. Speaker, it is my understanding that we have 2,000 more practising nurses in this province this year than we had last year. I believe that should accommodate almost all the health care institutions requiring that kind of employee.

#### FRENCH-LANGUAGE SCHOOLS

**Mr. Roy:** Mr. Speaker, I would like to ask a question of the Minister of Education if I can get her attention.

The minister will recall that in February of this year she attended a meeting along with the Premier (Mr. Davis) and the Minister of Intergovernmental Affairs (Mr. Wells). At that meeting a committee of seven was formed to look at the French-language component of boards of education which had originally been proposed in a green paper.

I am sure the minister will also recall that at that meeting the Premier gave an undertaking that the report would be submitted in early April in the hope that any recommended changes to the law could take place before the municipal and school board elections of November 1982.

Would the minister advise if she is in a position to respond to the report, which I understand was given to the Premier on April 8 of this year, and to confirm the undertaking that steps will be taken to change the legislation to reflect the recommendations contained in the report prior to the elections?

**Hon. Miss Stephenson:** Mr. Speaker, at the end of last week I received information from the Premier's office that the paper had been received and that it probably should be released for public discussion for a short period. It is my intention to do just that.

**Mr. Roy:** Will the minister give an undertaking to the people of Ottawa-Carleton and francophones across Ontario, in accordance with the commitment given by the Premier that he



wanted to see changes before the next school board elections are held in November 1982, that changes will be brought forward so that these recommendations will be in place in November 1982, so that these people do not have to wait another three years, until the 1985 elections, before we see significant changes in that area?

**Hon. Miss Stephenson:** I was present during the whole of that meeting and I do not believe I could verify that the statement quoted or paraphrased by the member was precisely what the Premier said. I would have to check it. I cannot give that commitment at this point because I really do not know, but I shall determine whether that commitment was provided or not.

As a result of the fact that a number of francophone groups felt they were not represented in that small committee, I think it would be necessary that they should have an opportunity to comment upon the recommendations or the deliberations of the committee. It is incumbent upon us to allow that to occur first before any commitment is made.

#### HERITAGE LANGUAGES PROGRAM

**Mr. Di Santo:** Mr. Speaker, I have a new question for the Minister of Education. I would like to go back to the question asked yesterday by the deputy leader of my party.

I want to ask the minister if she realizes that her statement, which was not supported by any evidence but resulted from a position taken following pressure from the most reactionary groups in our society, has created much bad feeling among the ethnic groups in Metropolitan Toronto, and has also created some serious worries in the Metropolitan Separate School Board, where five heritage languages programs—not two, as the minister said yesterday—have been integrated?

Is the minister now willing to withdraw her statement and to make a commitment to this assembly that she will come back with a position which is balanced and reasonable and which responds to the needs and aspirations of the ethnic groups in this society?

**Hon. Miss Stephenson:** Mr. Speaker, we have an excellent program of heritage languages, funded as a continuing education program. It obviously is designed to meet the needs of many groups in our society and has been functioning effectively and very well. This government is firmly committed to the maintenance of that program. No, I will not withdraw anything I have said.

3 p.m.

**Mr. Di Santo:** Obviously the minister speaks because of a position she has taken and does not want to change. The report approved by the Board of Education for the City of Toronto is something different from the continuing education she is talking about. We are talking of the rights of the individual students who belong to ethnic groups to be taught their languages as languages of instruction.

Why is the minister so opposed to every citizen in this province being treated in the same way? Are they not taxpayers as are the other people who do not belong to ethnic groups? Why is the minister opposed to introducing a program on an experimental and cautious basis in the city of Toronto when we know, and she knows very well, that program has proven successful in Saskatchewan where 1,200 children are taking those courses, in Manitoba where 1,600 children are taking those courses and in the United States?

**Hon. Miss Stephenson:** I am sure I answered every single aspect of the honourable member's question yesterday. If he were to look at the experience in Alberta, Saskatchewan and Manitoba, he would discover that the number of languages being taught is extremely small compared to the potential number of languages that could be taught in Ontario.

He will also be aware that every emissary from every national government in those areas from which many of our Canadians have arrived has been extremely supportive of the current status of the heritage languages program as it is offered in Ontario and has congratulated this province for its foresight in encouraging that kind of activity.

I still would ask the member, in which other jurisdiction in the world would he find as vigorous a support of heritage languages for students provided in the most appropriate way through the school system as that which is provided in Ontario? I have to say that the member could answer in only one way and that would be, "No other area and no other jurisdiction."

**Mr. Ruprecht:** Mr. Speaker, I would like to ask the minister whether the Toronto board has the right to continue with the present program, since she knows there are three schools, Ogden, Orde Street and Alexander Muir-Gladstone, which at present have an integrated program.

If the minister says and rules "no" to the request by the Board of Education for the City of Toronto, and the Toronto board goes ahead with integrating all other schools in Metro



Toronto, what will she do then? According to a memo that came from the Minister of Education's office in 1977, the Toronto board apparently has the right to continue with the programs that are at present integrated in those three schools. Could we have a clarification on this?

**Hon. Miss Stephenson:** Mr. Speaker, it is my understanding that by no description could those programs be called integrated, because they are provided as an addition to the entire school curriculum, which must be provided during five hours of instruction during the day.

### REPORT

#### STANDING COMMITTEE ON PROCEDURAL AFFAIRS

Mr. Watson, on behalf of Mr. Kerr, from the standing committee on procedural affairs presented the committee's fifth report on agencies, boards and commissions and moved its adoption.

**Mr. Watson:** Mr. Speaker, this is the fifth of a series of reports of the standing committee on procedural affairs on agencies, boards and commissions. The committee met in January to review the operations of the Ontario Board of Censors, the Ontario Police Commission, the Toronto Area Transit Operating Authority and the Ontario Energy Board.

The report contains a number of important recommendations with respect to these agencies. The recommendations of the committee represent a consensus of opinion rather than a complete agreement on every issue before it. While not every member may agree with every recommendation, your committee is pleased to present the report that each member can support.

On motion by Mr. Watson, the debate was adjourned.

### INTRODUCTION OF BILL

#### CITY OF OTTAWA ACT

Mr. Roy moved, seconded by Mr. Van Horne, first reading of Bill Pr24, An Act respecting the City of Ottawa.

Motion agreed to.

### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I am tabling the answers to questions 103, 107, 115 and 118 and the interim answer to question 95 standing on

the Notice Paper [see Hansard for Friday, May 14].

### NOTICE OF DISSATISFACTION

**Mr. Di Santo:** Mr. Speaker, I wish to file my dissatisfaction with the answer given to me by the Minister of Education (Miss Stephenson), and I would like to debate it tonight.

### ORDERS OF THE DAY

**Hon. Mr. Wells:** Mr. Speaker, the order of business for this afternoon is the motion standing in the name of the Leader of the Opposition (Mr. Peterson), and it is my understanding that we are to divide the time for debate between now and 5:50 p.m. equally among the three parties. Could I ask the table, sir, to keep track of the time?

**3:10 p.m.**

### ONTARIO ENERGY INVESTMENT

Mr. Peterson moved, seconded by Mr. Nixon, motion 22 under standing order 63(a):

That the government of Ontario, as a result of its irresponsible expenditure of \$650 million for the purchase of 25 per cent of Suncor, failed to discharge its duty to properly manage public funds and, further, by failing to fully disclose the details of the transaction has shown contempt for the assembly, and therefore does not enjoy the confidence of this House.

**Mr. Peterson:** Mr. Speaker, I am mindful of the time. I can assure you that every one of my colleagues in my caucus would like to speak on this issue because they all feel as vehemently as I do that the House should support our motion. And I suspect that if there were a free vote, the government would fall this afternoon. I feel sorry for those poor souls. I wonder who has been conscripted by the Tories to walk into the lion's den, because this has turned out to be the biggest single embarrassment this government has ever been involved in. I want to allow as much time as I can to my colleagues to express their own points of view on the subject.

I understand that the New Democratic Party will be supporting us. I am delighted to see the change of mind of the NDP on this great issue. You will remember, Mr. Speaker, that when it first came out the NDP were critical of the government because they thought they should have bought all of it, or at least control. Do you recall that witty speech of the new leader of the NDP when he went to the Empire Club and said to his fellow New Democrats there, "You know, the problem with the Suncor purchase is what

happens when you send a Tory to do a Socialist's job"? That was his response to what the government has done. Now I see them quoting our point of view; I see them viewing this as a misallocated sense of priorities in this province, as we do.

I am sure my friend the chief government whip (Mr. Gregory) agrees with every single thing I am saying, just as many back-benchers over there, some of whom have had the courage to come forward and some of whom just mutter in the hallway, are convinced that we were right on this subject and that the government is completely wrong.

I see this as a symbol of the misallocated priorities of this government. I see it as a symbol of how the truth is suppressed, how information is only selectively leaked to a certain few. I see it as a symbol of the tremendous lack of focus in that government. And I know that wherever my cabinet minister friends across the aisle go they are asked about Suncor, and it is becoming a tremendous embarrassment.

I am sure that when the Premier (Mr. Davis) goes home at night and Mrs. Davis says, "Well, dear, did you have a good day?" he says: "Yes, I had a wonderful day, but why did I ever get involved in Suncor? Why am I putting up with that abuse? Why was I so stupid?" I am sure that even my friend the Minister of Energy (Mr. Welch), who is the new equivalent to Elmer Gantry on this question—he comes on so pious that you would think he was in the pulpit talking about energy security; and this purchase has nothing to do with energy security—even his sense of priority on this question is offended. He has done a valiant job of summoning up all the righteous indignation he possibly could to justify this purchase, but he knows deep down in his Tory soul, deep down in his blue underwear, that he was wrong, and he regrets it.

He does a manful job of trying to defend it, but they are getting sick of it. I know there is not a minister, not a back-bencher across the hall who is not just sick to death of the whole Suncor question and who does not wish he could rid himself of this terrible burden, this terrible millstone they have taken around their necks for a variety of reasons. It is also an indication of the tremendous lack of touch of this government with what is really important to people in this province.

There are three reasons why my party and I have decided to move no confidence on this issue, and I want to develop these themes in the brief time that I have.

1. It was a terribly misallocated priority, in view of all the other options for the expenditure of public funds today where they are most desperately needed, to buy 25 per cent of an oil company.

2. This government does not enjoy our confidence because of the suppression of the information and the games they have played. They are not prepared to give this thing a public airing. That alone is enough to throw it out, in my judgement.

3. It is a bad business deal. This combines in one example everything that is bad about that government.

I want to develop those three themes.

An argument was made by my friends opposite at the time of this great purchase. On October 13, the Premier came into this House and read the wonderful announcement. It surprised everybody. The Treasurer (Mr. F. S. Miller) has been so embarrassed he still will not answer questions on the subject. He keeps referring them to the poor dupe, the Minister of Energy, to try to defend this proposition. He is embarrassed about it.

I know that privately a great number of members have cut bait on this subject. I know that everywhere the Premier goes he is asked about it and he is sick about it. His feeble rationalization was threefold. He supports Canadianization of the industry. That is a reasonably noble objective. He wanted a window on the industry. Buying a window! He could have bought the windows, the doors, the whole house for that kind of money. We have a window on the industry and it is called Petro-Canada. If he wants to support the Canadianization program, why is he not a little more vociferous in his support for Petro-Canada? His third rationalization was that it was a good investment. I hope to prove to the House that it was not a good investment.

No one I know honestly understands why the government bought a piece of Suncor. There is a lot of speculation about that. Our best rationalization was, first, that it was the promiscuous use of the joys of a majority, that it could do pretty well what it wanted to. It never would have done it in a minority regime, because it would have been out. It never would have done it if Darcy McKeough had been here or if there was any heavy financial brain in that cabinet, because it was an outrageous purchase. We can only conclude that the Premier wanted a part of the play.

I know the former Minister of Energy is



agreeing with me on everything. Look at the smile on his face. If he agrees with me, he should smile. See, he smiles.

I am convinced it was poorly thought out, and we cannot understand why this transpired. My colleague the member for Rainy River (Mr. T. P. Reid), in his great investigation of Tory polling practices, discovered that as part of the omnibus poll there was the question, and I can be corrected if I am wrong, "Do you support provincial ownership of an oil company in the resource sector?" I gather the majority in that poll said "yes," just as it is clear that a majority in this country supports the Canadianization program of the federal government. My guess is that this was misread into believing the public would support provincial involvement in an oil company.

Then we saw a change in those polls, and obviously we had something to do with bringing this matter to public attention. A Decima Research poll leaked to the Toronto Star and published a couple of months ago said, "A majority of people in Ontario do not support that purchase."

The speculation was, and I cannot prove it, that it was the Treasurer in his bid to be the next leader of that party who leaked that to substantiate the position he was fighting for in cabinet when he found out about it. The reality is that hardly anyone knew, including his cabinet colleagues. We do not know to this day who participated in that decision.

Perhaps the Minister of Energy did. We know that Malcolm Rowan had a major influence in it. He is one of those nameless, faceless bureaucrats who tend to exercise a great deal of influence over this government. I assume the Premier knew. The Treasurer, if he knew, certainly did not have any influence to stop it, because he has virtually said publicly that he disagrees with the whole position. Everyone else has been terribly embarrassed by it.

I have said it is bad in terms of priority. There is rarely a day in this House when a member does not bring up a legitimate concern. Look at the concerns of the elderly. My friend the deputy leader of the New Democratic Party today brought up a very legitimate concern.

**3:20 p.m.**

Look at the problems of people trying to hang on to their farms. Look at the lack of money for spring seeding. Look at the people losing their businesses. Look at the people losing their homes. The list of productive things we could have done with that \$650 million here in Ontario

just goes on and on. It is just awful. Pick any one of them. We will give the minister at least 20 better ways to spend the money if he is intent on spending on it.

In our party we have talked at great length about the alternative technologies and one specific program. We have said if that money had been expended on the renewable fuels in the fuel alcohol area, by 1990 we could have generated some 430 million gallons of fuel alcohol, comprising about 15 per cent of our total gasoline needs in Ontario. At the same time, it would have produced about 7,000 direct jobs; I am not talking about the spinoff. I just use that as an example. Look at what it could have done in the peat program. Look at what it would have done here for Ontario. I remind the minister—it is perhaps trite to say, and perhaps he is getting sick of it—that this brings not one job or one drop of oil to Ontario.

I get so fed up when my friend Elmer Gantry over there stands up and makes these great speeches about how this is contributing to energy security in Ontario. I say, respectfully, that is complete and utter crap.

Interjection.

**Mr. Peterson:** Unparliamentary?

**Mr. Nixon:** Baloney.

**Mr. Peterson:** It is baloney. Hansard will scratch the first; it is complete baloney. Those installations were all in place. There is nothing new being added. That oil would have been coming here anyway.

If my friend is so intent on concerning himself with the energy security and energy supply for Ontario, why did he not invest that money in exploration? Then it would possibly have contributed something new. The reality is that one of the rationalizations by his own investment counsel was that if Suncor did not find a new bonanza, a new Hibernia, it would probably turn out not to be a very good deal.

In the absence of any studies regarding the prioritization of the spending, we asked at the beginning, "What did you compare it with in terms of spending for Ontario that would return the most net benefit to the people of Ontario?" They said, "We really did not." All of us in this House, including the Tories, have a lot of better ways to spend that money. That is why we say it is a bad priority.

The Treasurer said on December 7, 1981, "There has been no sacrifice of any government program spending deemed necessary by the cabinet of this province because of the Suncor

deal." There are so many things that we deem necessary that he does not deem necessary, and that is what separates us dramatically from the government on this issue.

Just think of the relief this could buy in certain cases today. The minister knows from his own constituency the real problems people are having in this province. I know people who are losing their homes because they cannot get the \$280 a month for the mortgage payments. I am sure every one of us knows examples like that and of people who cannot find jobs. Every time I go to my constituency office I am sitting with 10 people who are looking for jobs; perhaps they think I have some influence at the Liquor Control Board of Ontario. The tale of woe right now is endless in this province, and there is so much more that could have been done.

If the government could persuade me that it would return some net benefit, even over a period of time, I might have a different view, but it will not. I will get to that in a moment.

My second point is why we lack confidence in this government. The reason is a lack of information, a lack of disclosure and the way this government has played with the issue. The Premier came in here on October 13, 1981, and announced the great program. He surprised all of his own back-benchers.

We also find that the main study done to support this was through McLeod Young Weir Ltd., whose president happens to be a very close friend of the government, one Tom Kierans, who had resigned just previous to this as a director of the Ontario Energy Corp. The minister will recall that he frequently attends the think-tanks—if they have such a thing—of the cabinet to decide what economic policy will be. He will also recall that he is a former chairman of the Ontario Economic Council.

They hired this company, McLeod Young Weir, as well as a substantiating report by Price Waterhouse, for fees in the order of \$200,000 to prove why they needed this oil company. We now have this network of analysts who do not particularly want to go public if they disagree because of the influence of this government.

The Globe and Mail has the same problem. I know a lot of people who will and do speak off the record but, because they are afraid of losing the beneficence of that government, they are frightened to speak out in public. (It just shows the corruption of the regime that has been around too long and a regime that does not allow free discussion of some of these issues

because it is prepared to use its power in a pecuniary way to punish people. That is a reality.

I know—and I wish I could tell members, and it grieves me that I cannot—the names of brokers and people in big companies across this province who are just despondent about the government's performance in this issue. All they say is: "It is so stupid. I cannot believe it." I say to them: "Why do you not go public?" They say: "We cannot. We will lose the government's business." I am not prepared to stand here and embarrass them. I really am not, but that is a reality. It is the way members of this club support each other and how they feed off each other.

We have been fighting with every single weapon we have to bring disclosure, to bring this out. The New Democratic Party suggested a royal commission. I think that is a little outrageous. We do not need a royal commission. We just need to know the facts. Show us the Price Waterhouse study and the basis on which the government made its judgement. Show us the Price Waterhouse and McLeod Young Weir studies if, in fact, they exist. How can they spend that amount of money without a public airing and without a vote in this Legislature on that question? It violates the spirit of everything we have talked about.

Some of their members agree with us, and the royal commission on freedom of information agrees with us. How do they expect people to have faith in their government if they undertake these massive expenditure programs, which have no relevance to the individual taxpayers, without at least a public discussion? For that reason alone, I believe it should have been turned down and this government does not deserve our confidence.

The third point I want to make, and I am informed I do not have very much time left, is that it is a bad deal from a business point of view. We have established that the interest bill alone over the next 10 years probably will be on the order of \$2 billion. One of the things members have to understand is that in today's world of high interest rates, every time you make an expenditure, it is not just this year's allocation but it is the interest clock ticking against that, compounded over the next few years. One has to be extremely judicious before one gets into working against the interest clock, because it has an insidious effect of tying up all our options in the future. That is what has happened here.

I do not believe, if we factor in the interest, we



will ever get a penny's worth of return for this company. Even the government was factoring in a 15 per cent return on a set of premises that have just not proved to be valid less than a year after the purchase was made.

We have all been struggling to analyse this deal with incomplete information. There was a very curious answer from the Treasurer the other day when he was asked about the Globe and Mail study. He said, "The Globe had incomplete information; so you expect incomplete answers." What he is saying is: "You can not have the information to do a complete analysis. Only we know and we are not going to share it with you." The government understands perhaps the absurdity of that position.

The Globe did a considerable amount of work on the question. They came to some conclusions: There was far too high a value on the earnings. They did not discount properly the minority position. They did not factor in the risk on the megaprojects. They did not factor in the effects of the world oil glut that may continue through to the 1990s.

When the analysts or the representatives of the various companies came to our caucus to share with us some little tidbits of information, they did reveal to us that they factored in the values on the base of \$110-a-barrel oil by 1990. If that does not come about, then this company will turn out to be a worse investment than originally thought.

**Hon. Mr. Welch:** You weren't there that day.

**Mr. Peterson:** I was there. The minister is absolutely wrong.

**Mr. Nixon:** Again.

**Mr. Peterson:** Again, he is absolutely wrong. With great respect, my friend is revealing his senility again. He is just wrong. Let me tell members what that reveals.

The government of Ontario—and do not forget the Premier (Mr. Davis) has been the champion of cheap energy—has a vested interest in high energy prices. If we do not get the \$110 oil minimum, this is going to turn out to be not a very good investment. So the Premier has a great dilemma. During the election campaign he came along and said: "I have been the champion of low energy in Ontario and I am the one who suppressed the price. I have kept it down. Aren't I a wonderful fellow? Why don't you vote for me?" Some people believed that. Now he has a vested interest in higher energy

prices in order to justify this mistake he has made.

**3:30 p.m.**

Not only that, but I want to make another point. It is an investment in an increasingly meaningless technology. In other words, it will have less and less influence, in my judgement, or should have, over the next few years. What we have to be pushing for as a matter of public policy is renewable fuels, the benign fuels, the clean fuels, the ones that are indigenous here in Ontario, that can fuel our transportation sector, and that we can build on. This is again an example of investing in the past rather than investing in the future. That is another reason we do not like it.

Then I look at it from a straight business point of view. Do members recall the dividend the day before they closed on December 31? This company for the first time in its history took a \$78 million dividend, and the Ontario government got nothing. They stripped \$78 million of equity out of that company to make it an even less attractive proposition than it originally was.

Let us recall the profit figures. They looked pretty good in 1980. In 1981, for the first quarter, they made \$27.7 million. In this year's first quarter, they made \$1.1 million and paid two cents a share. So the government had its two cents' worth.

In order to justify the purchase, the company declared another dividend, a 20 cent dividend. So they are drawing out more than the company is making. Members know what happens if they do that in perpetuity. What happens is exactly what happened to Admiral. They are going to have to strip this company, at least that appears to be their policy, in order to justify this purchase and to get some money into the public treasury to pay back the funds, because any time they draw money out, that obviously drives the debt up and the company will make less money.

On a different scale, that is exactly what happened to Admiral. So the government's investment in this company has forced the management to use some irresponsible management practices. As representatives on the board, they now are encouraging Suncor to pay dividends so something flows back.

Not only is that bad, but it affects the price of the Canadian dollar. For the first time now they are declaring a dividend, three quarters of which is flowing back to the United States, and only one quarter here.

Then they go on to say, "Well, we have an

option to buy another 26 per cent of this thing." At least, they said that, originally. When the agreement came out, in fact, they did not have that option to buy the additional 26 per cent. At least there is no guarantee that can come along, and my guess is they are going to be stuck with it. Some time in the future they are going to have to make a decision, because nobody in private enterprise would touch it.

I can give members a great long list of people who have refused to buy this because they manage their money on normal commercial principles: Noranda, Brascan, Seagram's—15 companies. According to Jack Neafsey, senior vice president of Sun US, 15 companies looked at Suncor; they booted it all around, and the only organization which lacked the financial acumen and bought it was the Ontario government. That is a reality.

I am sorry I am at the end of my time. I would love to continue on this issue.

For those three reasons: because of the lack of disclosure, because it is a terrible priority in this time of economic crisis and decline in Ontario, and because it is a very bad business deal, I suggest that this government does not enjoy the confidence of this House, including its own back-benchers' approval.

#### NOTICE OF DISSATISFACTION

**The Deputy Speaker:** I ask the indulgence of the House for a moment concerning standing order 28(b).

The member for Downsview (Mr. Di Santo) has given notice of dissatisfaction with the answer to his question given by the Minister of Education (Miss Stephenson) concerning language rights. This matter will be debated at 10:30 p.m.

#### ONTARIO ENERGY INVESTMENT (concluded)

**The Deputy Speaker:** The member for Port Arthur.

**Mr. Foulds:** Thank you, Mr. Speaker.

**The Deputy Speaker:** I am sorry, are we calculating time here at the table so that the member is aware of the time he has?

**Mr. Riddell:** Where is your support there, Jim?

**Mr. Foulds:** It is coming. The troops will be here. Don't worry, the troops will be here when the vote is counted. I would hope your troops are here too.

It is perhaps appropriate that earlier in the

day—they have left now—there were students in the gallery from a school in Thunder Bay known as the C. D. Howe Public School. C. D. Howe, as many may recall, was a member for the riding of Port Arthur for many years—more years than some of his political opponents care to remember—but lost his seat in 1957 because of his arrogance as a cabinet minister, because of his insensitivity to the public and the public concerns and because of the famous quote that he got tagged with, "What's a million?"

Now we have a government in Ontario that epitomizes all those unfortunate values. It is arrogant and insensitive; it operates in secret and has lost the principle of responsible government, let alone democratic government; and it says publicly to the people of Ontario: "What is \$650 million? We do not have to explain why we spent it or how we spent it." So I am rising on behalf of the New Democratic Party to support the motion of no confidence in the government.

I have only one quibble with the rather rambling address made by the Leader of the Opposition. Surely to goodness he cannot call Malcolm Rowan a faceless, nameless bureaucrat. He can call Mr. Rowan many things—and I have done so in committee hearings of this Legislature—but nameless and faceless he is not. In fact, he has a much higher profile in the public mind and in the press than he probably cares to have because of decisions like that involving Suncor. And may I just add that Mr. Rowan can also smile, because he is doing so now.

Let me say that a government loses the confidence of the Legislature usually in two ways: first, as a matter of substance, policy and direction; second, as a matter of process. To me it is the matter of process that is paramount in this particular affair. It is the air of secrecy that surrounds the whole deal. That is why we in this party have called for a royal commission or a public inquiry to look into the matter surrounding the acquisition of Suncor.

As we trace the deal, we are told that the Premier abandoned the primary element of government as we know it in this province, the primary principle that has been fought for over many centuries, that of a responsible government. The decision was not taken by the executive council of this province or by the cabinet. The decision was taken by the Premier and, we are told, by the Minister of Energy (Mr. Welch), Mr. Rowan and one or two other functionaries.

That is a complete negation of what demo-



cratic responsible government is about. The minister will forgive me if I seem like an old-fashioned, 19th century parliamentarian but I happen to believe very strongly in democratic and responsible government, and my party happens to believe very strongly in responsible and democratic government.

**3:40 p.m.**

I want to tell the government that when we come to power in this province, when we acquire public ownership in the resource sector, that will be done openly and publicly with full disclosure to the public of Ontario. We will invest in the resource sector in this province, not the resource sector in a foreign jurisdiction.

Number one: Why is it that the government got suckered? There is no question that the government did get suckered. It got suckered in two ways. It got suckered by signing the confidentiality agreement with Suncor. There is no reason in the world why it apparently needed to sign that type of agreement with Suncor. All the cards were in the government's hands. Suncor needed to sell: The Canadianization program, the national energy program of the federal Liberals made it imperative for Suncor to find a Canadian buyer. It was having extreme difficulty finding that buyer. The Ontario government filled the breach. It should have used the power that it had to get a better deal in terms of the confidentiality agreement.

Just as when the government is negotiating with the doctors and offers them \$742 million it should get, as part of the agreement, a ban on extra billing, here when it is offering to put up \$650 million to buy 25 per cent of a company that needs its intervention, it should have bargained tough and should have signed that confidentiality agreement on its own terms; terms that would have allowed it to reveal the MacLeod Young Weir study and the Price Waterhouse study.

Ironically, there are legislators in other provinces such as Alberta, Mr. Lougheed and his cabinet, who will have access to the information in that study we do not have here in this province. Let me say that I resent a confidentiality agreement that allows legislators in another jurisdiction to have access to information that legislators here do not have. Mr. Lougheed has information that we in this House do not have with regard to that confidential study. It seems shameful to me that should be the case.

Ironically, it is just beyond reason that in this House we spend hours and hours examining the budgets of various government ministries, what

we call the estimates debate, as part of the democratic process, but here we have an expenditure of \$650 million that we cannot even get a handle on. That is about six times the size of the budget of the Ministry of Agriculture and Food, for example. We, as legislators, cannot make a definitive judgement about whether or not the expenditure was a wise one.

The second and most recent question that has come up is: Did the government get suckered on price? From the beginning we in the New Democratic Party have said, "From our figures, with the amount of capital that was spent, we should have been able to acquire at least 38 per cent of the company." If one goes back to the original statement that the leader of this party and I as energy critic made, that was very clearly spelled out. That seems to have been substantiated by the recent study done by the Globe and Mail.

The third part of the puzzle that has still not come to light is: Was this part of a government strategy? Was it part of its industrial strategy? What was it? Was it part of a puzzle and where is the rest of the puzzle? It becomes more and more clear that it was not part of any strategy.

What apparently happened is that the government polls showed that people in Ontario supported ownership in the resource sector. So the government decided to buy into a resource sector outside the province that would not damage any of its corporate friends. It bought where there was a willing seller, someone seeking to get rid of it for the reasons I outlined earlier. But it did not fit in, and to this day the government has not made the purchase of Suncor part of its industrial strategy. The reason for that is very simple: It is not part of any strategy because the government does not have an industrial strategy.

The problem is that this purchase has not resulted in one more job in Ontario. The benefits and dividends of the purchase continue to flow to the American parent company in the United States. If the government has its way and the 26 per cent of the additional shares that need to be Canadianized are dispersed among a number of small Canadian purchasers, then forever the domination and control of that company will be held in the United States, and the jobs for research and development, the benefits that should accrue to this province and the dividends will flow to the United States.

I just want to quote one or two things from the Suncor annual report. What difference does the purchase make, and what impact will this change in ownership have on Suncor? Ross Hennigar,

the president, indicates that it will be "business as usual for Suncor." What that means is that the government will not be able to use its ownership portion in Suncor to any material benefit for the people of Ontario.

Second, he says in a question-and-answer section in this annual report: "To return to Canadianization, given what you know now, what advice would you give to the president of a large company contemplating the idea of having a government shareholder?" 'First, for the sake of all the investors, defend the right of management to manage. Devise a very clear procedure for ensuring this principle. That's one thing we have emphasized in our own case. Secondly, learn from your public sector investors. Involve its directors in the assessment of your responsiveness to public policy, and sensitize your managers to the input government people can provide. Third, continue to act as a private company.'

Continue to act with all the irresponsibility that the oil companies have acted with over these last many decades. That is what the government purchase of Suncor means to the policy of that company: absolutely nothing for the people of Ontario.

We have in this province perhaps the most serious economic crisis that we have faced since the 1930s. We have high interest rates; we have people losing their homes; we have people losing their farms; we have the highest unemployment we have ever experienced; we have people needing homes and we have a need for a concerted economic strategy on the part of the government. But what do we have? We have a federal Liberal government that stands idly by while people lose their homes, their farms and their jobs, and we have a provincial Conservative government that stands idly by while people lose their homes, their farms and their jobs. What do we have?

The sole economic initiatives taken by this government are to purchase a jet and to purchase 25 per cent of an oil company that gives it no control and no direction.

As I said earlier today, what could we do to really redress the balance of economic injustice in this province?

**An hon. member:** Vote Liberal.

**Mr. Foulds:** It is very simple. Voting Liberal, my friend, would never do it when you have an arrogant Prime Minister called Pierre Trudeau—that is your party—when you have Allan MacEachen, who does nothing for the ordinary workers of this province or this country, who

does nothing for the home owners, who does nothing—

**3:50 p.m.**

**Mr. Ruprecht:** Vote Liberal.

**Mr. Foulds:** I would not go around mouthing "vote Liberal," my friend. The member for Parkdale (Mr. Ruprecht) makes the Tories look progressive.

Interjections.

**The Acting Speaker (Mr. Cousens):** Order. The member for Port Arthur has the floor, I think.

**Mr. Foulds:** If I may return for a minute, with \$650 million plus the \$50 million interest every year, what could we do?

Interjections.

**The Acting Speaker:** The member for Port Arthur has the floor. I ask the other members of the House to give him the due he deserves.

**Mr. Foulds:** What we could with that \$650 million is raise above the poverty line every single person of the half million people in this province who are presently living below that line, people who are on family benefits, Gains-D and general welfare assistance, and single seniors. We could raise every single one of them above the poverty line with the money spent on Suncor. That is the kind of priority this government should have. That is the kind of priority this party would have.

The Minister of Health (Mr. Grossman) agreed to the principle of catch-up for the medical doctors. Who in hell were they catching up to? What does this government do about catch-up for the people on low incomes? The Treasurer has been telling us for the last several months since the Suncor purchase that his wallet is so tight and his budget is so tight he will not be able to bring in programs to redress the social and economic injustices in this province.

There has been no justification for this purchase. There has been secrecy about the purchase. Money may well have been misspent. We need a royal commission to investigate the whole matter surrounding the deal. More than that, we need a new government. For that reason, we will be voting no confidence in this government on this matter.

**Hon. Mr. Welch:** Mr. Speaker, I am pleased to have the opportunity to participate in the debate this afternoon. As we all would agree, at issue is the whole question of confidence and leadership. The people of this province demonstrated their will on this issue at the polls just



over a year ago. Leadership is the ability to recognize reality, the ability—

**Mr. Mackenzie:** It's also honesty with the voters that bothers you.

**Hon. Mr. Welch:** I do not need any lecture from the member for Hamilton East (Mr. Mackenzie) on the question of honesty. I suggest the honourable member wears his morality on his shirtcuff. He should keep it to himself. It is private business.

**Mr. Mackenzie:** That's bothering you a bit isn't it?

Interjections.

**The Acting Speaker:** Order. I have the floor. I ask the honourable members to give respect to each member when he is speaking and not cause these interruptions.

**Hon. Mr. Norton:** They don't know what that means.

**Mr. Breough:** Well, he is being provocative.

**The Acting Speaker:** I ask for their suffering, on the part of all members, for each person when he has the floor.

**Hon. Mr. Welch:** I hope the members can bear with the suffering just a little. It may be that in a democratic system, which I assume the member espouses—

**Mr. Mackenzie:** As long as you lay it all on the table.

**Hon. Mr. Welch:** —he might like to hear another point of view and keep to himself any private assessments with respect to how anyone in this House may interpret his moral obligations. That is something I think the member for Hamilton East should understand quite clearly no matter how loudly he might holler.

**Mr. Mackenzie:** You are not laying it all on the table.

**Hon. Mr. Welch:** Leadership is the ability to recognize reality, the ability to develop a strategy in tune with that reality and the ability to act on that strategy.

**Mr. Peterson:** The ability to read polls paid for by other people.

**Hon. Mr. Welch:** Talking about holes, I think that what we heard from the Leader of the Opposition today was written on cheesecloth for him by his observers because it was so full of holes. I hope he has the opportunity to listen.

**Mr. Peterson:** Prove it, my friend.

**The Acting Speaker:** Order.

**Hon. Mr. Welch:** Pull up a chair and listen. May I repeat—

Interjections.

**The Acting Speaker:** Please stop interrupting the honourable minister when he has the floor. I will try to maintain the same order for other members when they have the floor. Order.

**Mr. Peterson:** He is so full of wind I just hope he doesn't pass it here.

**Hon. Mr. Welch:** We will try to restrain ourselves as best we can.

May I repeat—just in case the honourable leader, who was detained by his encounter with the media outside, did not hear this—leadership is the ability to recognize reality, the ability to develop a strategy in tune with that reality and the ability to act on that strategy. That is leadership. That is what this government and its leader have demonstrated time and time again.

Energy, the lifeblood of an industrialized nation, has been and continues to be—

**Mr. Peterson:** Who is the minister quoting?

**Mr. T. P. Reid:** The minister accused me of reading my question yesterday. Is he going to read his whole speech?

**The Acting Speaker:** I have asked the honourable members several times. I will not accept this continual interruption. I will have to ask the honourable members to be patient and wait until they have an opportunity to have the floor. In the meantime, the Minister of Energy has the floor, and I would ask all honourable members to respect that.

**Hon. Mr. Welch:** Energy, the lifeblood of an industrialized nation, has been, and continues to be, a pretty important focus of success of Ontario Conservative government. And energy leadership has been demonstrated by Conservative governments. That is true whether one thinks in terms of the creation of Ontario Hydro in the early 1900s, of the support we gave to the development of Canada's natural gas and oil industry in the 1950s and 1960s, of our—

**Mr. Peterson:** And John Crosbie's last budget. Interjections.

**The Acting Speaker:** Order.

**Hon. Mr. Welch:** —of our investments in nuclear energy and in Syncrude in the 1970s; or of our commitment in the 1980s towards a stronger and more energy-secure Canada.

**Mr. Foulds:** He can't even keep a straight face.

**Hon. Mr. Welch:** It will read well along with the others.

**Mr. Mackenzie:** That is all that counts, eh?

**Mr. Peterson:** No one will read it.

**Hon. Mr. Welch:** It will read well because people who have the opportunity to quietly sit down and listen to reason will understand.

**Mr. Mackenzie:** As long as you lay it all on the table, and you didn't in the last election.

**Hon. Mr. Welch:** No one can hear as long as their mouth is open as wide as the honourable member's. One cannot hear with their mouth open that wide. Most people listen with their ears. As well, this province has demonstrated its leadership in energy conservation, solar energy, alternative transportation fuels and in its initiatives in crude oil pricing.

It is suggested by the opposition, as one listens to the presentation thus far in this very important debate—if one listens to the opposition—that our investment in Suncor is inappropriate, that the government has mismanaged public funds. I point out to them here that this simply continues the misconceptions of the opposition from former debates on this subject and I refer particularly to debates that are recorded for November 3 and 19, 1981.

It is important for those who would want to follow this discussion through the debates of the House, and I would hope the comments I am making today in this debate would be read in conjunction with other contributions, particularly the one on November 3 found in volume 3 of the Legislature of Ontario Debates, 1981, from page 3163 to page 3174, and another contribution by the Ministry of Energy, in the same volume of Legislature of Ontario Debates, 1981, for November 19, 1981, page 3704 to page 3712.

It is going to be fairly interesting reading, particularly with the next consultation with the people. It might be very interesting to put these things in perspective.

The official opposition by its motion is demonstrating that it does not support the objective to Canadianize Canada's oil and gas industry; that it does not support the goal of oil self-sufficiency for Canada; that it does not believe Ontario should actively encourage the exploration and development of Canada's oil and gas resources; that it does not really care about the security of energy supply for Ontario consumers and Canada's industrial heartland.

**Mr. J. A. Reed:** On a point of privilege, Mr. Speaker: I really do not want to accuse the

minister of misleading the House with his statement about our party not believing that Ontario should actively encourage exploration, but surely he remembers that a few days after the Suncor announcement an agreement was made regarding exploration with an entirely different company. The statement has no relevance whatsoever to this debate.

**4 p.m.**

**Hon. Mr. Welch:** Mr. Speaker, the official opposition by its motion is also demonstrating that Ontario should not be an active participant in national energy policy making and in protecting the interests of our people. I suggest to members of the House that by its motion of no confidence this is really what the official opposition is saying.

We all know that the Ontario Liberal Party is the party of negativism. Day after day we get a recorded message of "What are you going to do about it?" It is a party with no appreciation for the reality of the swiftly changing energy environment within which Ontario has to continue to live and prosper. Canada's prospects for crude oil supply security within this decade have been tested dramatically during the past few months. One after another of Canada's megaprojects has been cancelled. First it was Cold Lake; now it is Alsands. Security of oil supply is a challenge for all Canadians that the government and people of Ontario are quite prepared to accept.

A number of megaprojects on this continent have failed to materialize in recent weeks, but Canada's need for energy security remains. The initiatives and investments of Ontario in the energy field are examples of bold leadership and commitment to the goals of energy security and the Canadianization of our hydrocarbon resources. Our actions in this jurisdiction have been responsible and in harmony with the aspirations and expertise of the private sector in a mixed economy.

The people of Ontario have made an investment in one of Canada's largest integrated oil companies, Suncor, the first company, I would remind members of this House, to invest in the oil sands on a commercial scale. Canada's oil sands technology is Suncor technology. Our Suncor purchase has as its objective the facilitation of the Canadianization of that company to encourage private Canadian ownership of Suncor.

Our objective is to enable Suncor to participate in the exploration and development of Canada's oil resources and thereby help achieve the goal of crude oil self-sufficiency. Our objec-



tive is then to enable Ontario to be an active participant in national energy policy making and thereby enhance security of oil supply and provide price protection for Ontario consumers. I would suggest to the members these are the objectives that really count.

While others fail to act, Ontario has recognized the need and has taken the initiative. We did this with Syncrude and we have done it again with Suncor. We were criticized in this House for investing in Syncrude, some will remember; we were accused of having been taken to the cleaners. Yet within three years Syncrude was built and Ontario had sold its interest for a clear \$35-million profit.

It is alleged in other places that we paid too much for our interest in Suncor. I do not intend to comment on a recent newspaper article to that effect; my colleague the member for Lakeshore (Mr. Kolyn) will describe the shoddy and inaccurate analysis which is the basis of that article. Suffice it to say that the evaluation of Suncor was performed for the Ontario Energy Corp. by McLeod Young Weir Ltd., one of Canada's leading financial houses, and verified by Price Waterhouse Ltd., one of Canada's leading chartered accountants. That evaluation concluded that a 25 per cent block purchase of Suncor shares would be in the range of \$550 million to \$675 million.

The McLeod Young Weir findings further stated that the collateral agreements reached with Sun Co. Inc. would put the fair value in the upper end of that range. That is all set out in a letter that was tabled in the House, which I am sure the member for Rainy River (Mr. T. P. Reid) has read several times.

Our Suncor purchase is a good investment for Ontario and for the taxpayers of Ontario. Suncor has extensive interests in the oil sands, frontier lands, oil and gas production in western Canada, almost 900 retail distribution outlets in Ontario and Quebec, an Ontario-based oil refinery and an Ontario-based petrochemical company.

**Mr. Cunningham:** On a point of order, Mr. Speaker: I draw the Speaker's attention to section 19(d)4 of the rules of debate, where it is suggested it is a variance of the rules to refer at length to debates of the current session or read unnecessarily from verbatim reports of the legislative debates or any other document. I would suggest to you, sir, before we hear about one such analyst, Kurt Wuiff, we are on page 6 of the minister's speech and he is reading verbatim.

**The Acting Speaker:** I do not accept that point of order inasmuch as the minister is not quoting any more than have other members in this House from various other texts.

**Hon. Mr. Welch:** Many independent financial analysts have stated that Ontario negotiated a pretty good price. One such analyst, connected with the firm of Donaldson, Lufkin and Jenrette Inc. of New York City, a company which has studied both Suncor and its parent company for years, has been quoted as saying, "The province"—referring to Ontario—"paid about 80 per cent of what others thought the assets were really worth." That comment is based on an independent, informed judgement.

Notwithstanding the contribution of the Leader of the Opposition (Mr. Peterson), even this afternoon, I have yet to be told the name of one financial analyst who does not think the price paid last year by the Ontario Energy Corp. for its 25 per cent share of Suncor was not a fair price. That should be on the record.

**Mr. T. P. Reid:** How the hell can they when—

**The Acting Speaker:** Order.

**Hon. Mr. Welch:** Mr. Speaker, that is the acid test of credibility.

It is misleading in the extreme to point to temporary aberrations on the stock market or to lower world crude oil spot prices and to say the future of Suncor is not bright. Canada must not be fooled by the present temporary world oil supply glut and relatively soft world oil prices. Canada really cannot allow itself to be held hostage to fortune. Canadians must not remain dependent on Middle East producers for their oil supply. To do so would be a very dangerous gamble.

Prudence dictates that oil-consuming nations not place their destiny in the hands of politically unstable oil exporters. Canadian crude oil self-sufficiency is a national priority. All Canadians have a vital stake in its achievement. I suggest that Suncor has a major role to play in achieving oil self-sufficiency in this country. Suncor and energy leadership are synonymous. I have already spoken of its pioneering investment in the oil sands. Indeed, Suncor oil sands technology leads the world. But Suncor is the leader in other areas. Its Fort Kent oil sands project, for example, is being hailed as logical and as a cheaper alternative to such megaprojects as Cold Lake.

Through Suncor's ingenuity all Canadians will benefit. Canadians will have oil because of investments like Suncor's Fort Kent project.

Suncor's ability to assess more accurately what is achievable and then make the necessary investments is the essential difference between an oil production project like Fort Kent going ahead or being cancelled like Alsands and Cold Lake.

Ontario benefits from such investments. For every dollar spent by the oil and gas industry, 42 cents is spent in Ontario. There are other examples of Suncor's initiative. Suncor has investments in solar energy, in propane, an alternative transportation fuel, conversion and distribution facilities, in oil and gas drilling in the Arctic islands and oil off Canada's east coast.

**4:10 p.m.**

Suncor is a participant in the recent Arctic oil and gas finds at Whitefish, Cisco and Skate. It is expected that later this year, as a direct result of the Suncor purchase by the Ontario Energy Corp., a significantly enhanced exploration and development program will get under way on Canada lands. This kind of program would not have been possible without the Ontario Energy Corp. taking the first and most important step towards eventual Canadianization of Suncor.

Suncor has major investments in Ontario, in its refinery and petrochemical plant at Sarnia and in retail gasoline outlets throughout the province. A number of options to upgrade its refinery at Sarnia are being examined. The objective is to transform heavy fuel oil and distillate, for which there is a declining market, into transportation fuels and petrochemical products which Canadians need. This refinery upgrading investment is also a major energy conservation initiative. It will mean that less crude oil—about 20,000 barrels a day less—will be required to produce the same volume of usable petroleum products.

I would suggest as well that public support for Suncor is demonstrable. While the oil industry's retail gasoline sales in 1981 are reported to have declined by four per cent, Suncor's retail sales volume grew by three per cent, giving it a growth advantage of seven per cent compared to the industry.

The party that forms the official opposition, the Ontario Liberal Party, alleges that the government's priorities are misguided, that it should ignore energy, that instead the government could have paid the operating costs of the—

**Mr. J. A. Reed:** On a point of order, Mr. Speaker: Would the minister tell us at what

point over the last seven years we have said the government should ignore energy in Ontario? If he cannot, I would suggest he is misleading the House.

**Hon. Mr. Welch:** The Ontario Liberal Party alleges that the government's priorities are misguided, that it really should ignore energy, that instead the government could have paid the operating costs of the province's universities, it could have invested in hospital beds or housing or to create new jobs rather than to invest in Suncor.

**Mr. J. A. Reed:** On a point of privilege, Mr. Speaker: The minister has stated again and indicated both in the text and as he has read it, that the official opposition in Ontario has suggested the government of Ontario should ignore energy. I would challenge the minister to give us one instance over the past seven years that I have been in this Legislature where we have suggested that either by inference or by direct quotation. If he cannot, I would suggest if he does not withdraw that remark he is misleading the House.

**Hon. Mr. Welch:** Mr. Speaker, this is the same Liberal Party which on May 3, 1976, had this to say, and I quote: "Our consumers and industries will have no alternative"—

**Mr. J. A. Reed:** Mr. Speaker—

**The Acting Speaker:** The minister is responding to your point of privilege.

**Hon. Mr. Welch:** No I am not.

**Mr. J. A. Reed:** He has not responded at all. He has chosen to ignore the point of privilege and he has suggested that the opposition has stated at some point that the government of Ontario should ignore energy. I am challenging the minister to tell us at what point we either inferred or stated directly that the government of Ontario should ignore energy. I was Energy critic for six years and I cannot recall a time when I suggested the government of Ontario should ignore energy, and unless he can tell us then he is misleading this House and the people of Ontario.

**The Acting Speaker:** The Minister of Energy has the floor and can respond, I am sure, to this point of privilege.

**Hon. Mr. Welch:** Mr. Speaker, I think in all fairness we have a certain apportionment of time. There are other points of view to be expressed. Rather than taking advantage of my time, they will have a chance to take part in this debate.



I think the context is quite clear. Anyone in his right mind would—

**Mr. T. P. Reid:** Nobody in his right mind would have bought Suncor.

**Hon. Mr. Welch:** How else could one understand the Liberal demand to sell off Suncor if it was not to ignore the Canadian energy scene? There will be time for others to get into the debate.

This is the same Liberal Party—

**Mr. Van Horne:** Mr. Speaker, on a point of order: Just a few moments ago the minister indicated that public support for Suncor is demonstrable. The implication there might be that the public is supportive of that purchase. I would like to know if the polling that he and his party have done can support that. Would he give us numbers? The polling I have done in my riding showed 68 per cent of the people in London North think it is a bad investment.

**The Acting Speaker:** This is a debate in which each member has the opportunity to make his presentation. I think we have to be very careful not to make allegations. I think we have to have respect for other members and remember this is the House, the assembly of the province of Ontario. The Minister of Energy has the floor and I would ask members to respect the fact that he has the floor and is speaking to this subject.

**Mr. J. A. Reed:** On the point of privilege, Mr. Speaker: Surely no one has the right to mislead the House. I have said three times that the statement he has made, in print on page 9 and that he has made aloud here, suggesting that the official opposition suggests that the government of Ontario should ignore energy, is misleading unless he can establish some kind of foundation for making that statement.

I say once more, if he cannot or if he refuses—

**The Acting Speaker:** The member is to be reminded that he cannot say that. I ask him to withdraw that statement. If he is accusing the minister of misleading the House, then I would ask him to withdraw that. The minister is responding to the question of privilege raised earlier. I would ask the member to withdraw the statement accusing the minister.

**Mr. J. A. Reed:** Let me state it once again, as I have now on four occasions—

**The Acting Speaker:** I would ask the member to withdraw that statement about misleading the House as unparliamentary language. I would sincerely ask the member to oblige in the spirit in which this House operates.

**Mr. J. A. Reed:** In the spirit in which this House operates, how can—

**The Acting Speaker:** Has the member withdrawn that? I am asking the member to withdraw that.

**Mr. Cunningham:** He cannot withdraw it while you are on your feet.

**The Acting Speaker:** I would like to caution the House that we are reaching the point where the Speaker is about to make a decision which I do not want to have to make.

**Mr. Epp:** Use the same rules for the minister.

**Mr. J. A. Reed:** Mr. Speaker, the inferences and the statements made by the minister and the unsupported manner in which they are made would appear to be misleading the House.

I say one more time, if the minister cannot show us how he has arrived at those figures, I have no alternative but to say he has misled the House.

**The Acting Speaker:** I would ask the member to withdraw the statement he has made regarding the minister.

**Mr. J. A. Reed:** Oh, Mr. Speaker, how else should I say that what he is saying is not factual? It is not supportable. It is negative.

**The Acting Speaker:** I would ask the member to find another way of removing the statements he is making, to carry on with the speech we are in.

**Mr. J. A. Reed:** All right, I am prepared to withdraw the word misleading, but I must insist that what he has said is unsupportable and not factual.

**Hon. Mr. Welch:** Mr. Speaker, this is a representative of the same Liberal Party which on May 3, 1976—

**Mr. Ruprecht:** On a point of order, Mr. Speaker: Since you are the Speaker and control the procedure in this House, I would like to ask for clarification here. Do you have it in your authority to ask the minister to withdraw the misleading statement he made?

4:20 p.m.

**The Acting Speaker:** You are out of order. Please resume your seat. The Minister of Energy has the floor.

**Hon. Mr. Welch:** Perhaps I might be able to repeat with some emphasis that this is the same Liberal Party that on May 3, 1976, said, "... our consumers and our industries will have no alternative but to pay world price for oil." That

was Stuart Smith and the present Leader of the Opposition in a news release.

**Mr. Peterson:** I want you to know we did not suggest you have to pay more than world price. You are getting more than world price for your oil right now. You have drivel in this speech. This is the worst speech I have ever heard. You should fire the staff who wrote it for you.

**The Acting Speaker:** Would the Leader of the Opposition take his seat and set the good example he usually sets.

**Mr. Foulds:** I take objection to that. He never sets a good example.

**The Acting Speaker:** The member for Port Arthur will continue to set his good example and allow the Minister of Energy to continue his presentation.

**Mr. Foulds:** That is slanderous. Say it outside and I will sue you.

**Mr. Mackenzie:** You have to recognize his heart is not in it.

**The Acting Speaker:** The Minister of Energy has the floor.

**Hon. Mr. Welch:** It is the same Liberal Party that consistently opposed the government's blended pricing policy, a policy that has kept down the price of gasoline and home heating oil to consumers. Each time—and there were many—Ontario successfully delayed the price of crude oil going up by \$1 a barrel, the consumers of this province saved \$300 million a year. That would not have happened, I suggest, if the Liberal energy policies had been in effect in this province.

I happen to feel, and my colleagues join me in pointing it out, that Ontario really cannot afford to ignore energy. We cannot afford to be blind to the reality of the situation of this day. The government is investing large sums in our universities, large sums in our hospitals, large sums in job creation activity. To suggest otherwise is not to share the facts with the people. The business of government involves making judgments about a multitude of competing demands. The public knows that and it happens to understand those realities. Priorities have to be set.

It is not a question, however, of choosing between an investment in Suncor and other desirable objectives. Investments are really being made in all areas—economic, social, health and education, just to name a few. Indeed, during the past fiscal year, 29 per cent, or \$5.5 billion, of the government's budgetary expenditures were allocated to health; over 24 per cent, \$4.6

billion, to education, colleges and universities; over 10 per cent, \$1.75 billion, to social services; and 14 per cent, \$2.4 billion to resources development. These four categories alone accounted for over 78 per cent of all the expenditures of this government. Clearly, to suggest that priorities in this political jurisdiction are misguided is simply to ignore the reality.

I should like now to deal with the second concern raised in this no-confidence motion, namely, that the government has not fully disclosed the details of the transaction. More information, I suggest to the members, has been made public about this transaction than any other similar purchase of which I am aware. The list of reports, background papers, agreements and other information pertaining to Suncor and this transaction is considerable. I doubt if any member of the opposition has read even one tenth of the material that has been made available.

The Ontario Energy Corp. has not released the evaluation reports because it does not have the legal right to do so. At my urging, within days of the completion of the purchase, the Ontario Energy Corp. asked both Sun Co. Inc. and Suncor Inc. to review the McLeod Young Weir and Price Waterhouse reports to see if they could be released in whole or in part.

Specifically, these companies were requested to review the reports, and I quote from the letter, "to see if there are sections, charts, sentences or words, in your opinion, which are confidential but if deleted would enable the rest of the report to be made public." In each case the response was that the reports contained confidential information relating to the business and affairs of Suncor Inc. which, if made public, would prejudice the company's ability to pursue its commercial objectives and have a detrimental effect on its competitive position.

I would draw the attention of the House to that wording as members peruse the Williams report in so far as public information is concerned. As a result, neither company was prepared to waive any of the terms of the confidentiality agreement.

The responsibility for making a judgement of this kind really rests with the party or parties that could be materially affected by the decision. In this case Sun Co. and Suncor are the parties to which reference is made. They have been asked and they have rendered a decision. We may well prefer it to be otherwise, but the fact remains that they believe those reports



would be detrimental to their commercial interests.

I would remind members once again that the issue is leadership. The issue is the ability to recognize reality for what it is and act in a comprehensive and coherent way to place this province in the best possible position in a very uncertain world, not only to make decisions for today but to be bold enough to consider the needs of tomorrow as well.

I have had the opportunity this afternoon to speak briefly about reality. The reality is that Ontario is a resource-rich province but is almost totally dependent on other jurisdictions for its fossil fuels: oil, natural gas and coal. This is the reality that all members, I am sure, would agree we face. It is against this background that we in this province have developed our energy policy. The challenge of the 1970s was to ensure that the needs of Canadians as consumers were protected. Appropriate energy pricing and security policies were pressed vigorously during this period by the Premier (Mr. Davis) and by successive Ministers of Energy. If Canada's goals are to be achieved, Ontario has to do its part.

Ontario has a comprehensive and coherent energy policy because the government has shown foresight and leadership. If this province does not build and does not grow, if we do not seize opportunities as they come along, then wealth will not be generated in this province for hospitals, schools and social services.

Let us really reflect on this; the people will be asked to. It is really not a question of choosing between an investment in Suncor and other desirable objectives; it is a question of creating opportunities so that today's and tomorrow's generations can have the services that will enhance the quality of their lives. Canada cannot afford to gamble on its energy future, and Ontario has invested wisely in that future. Suncor is a timely, strategic investment for Ontario. The rules of the energy game—

**Mr. Grande:** You do not believe that.

**Hon. Mr. Welch:** I do. You know me well enough to know that I do.

**The Acting Speaker:** Would members stop interrupting the minister during his presentation?

**Mr. Riddell:** On Sunday you must have cause to reflect on what you say.

**The Acting Speaker:** Order.

**Hon. Mr. Welch:** I do not practise that just on Sunday.

**The Acting Speaker:** Order, please.

**Hon. Mr. Welch:** I also do not wear it on my shirtsleeve, and I wish you would—

**The Acting Speaker:** I ask the honourable members to stop interrupting the minister.

**Hon. Mr. Welch:** I do not comment about yours, you keep quiet about mine. It is my own business what I do on Sunday.

**4:30 p.m.**

**The Acting Speaker:** I ask the minister to resume his seat.

**Hon. Mr. Welch:** And ridicule is no rebuttal either, big mouth.

**Mr. Riddell:** You are fluttering around the same as you do on television.

**Hon. Mr. Welch:** You mind your own business.

**The Acting Speaker:** Order. I have the floor.

**Hon. Mr. Welch:** I am sick and tired of him casting stones.

**The Acting Speaker:** I say to the Minister of Energy, I have the floor. If the minister will please resume his seat for a moment, I will ask other members in this House to have more respect for other members when they are making a presentation.

**Hon. Mr. Welch:** He is the last person who should be casting any stones. And I mean it.

**Mr. Riddell:** So do I. I won't be intimidated by you or anybody else.

**The Acting Speaker:** Order.

**Mr. Peterson:** I think the minister wants to confess.

**The Acting Speaker:** Order.

**Hon. Mr. Welch:** I don't like the member commenting on things that I consider to be private. I resent that.

**The Acting Speaker:** Order. I ask the honourable members to allow the minister to complete his presentation; then we can look forward to a presentation from this side and the debate can continue with distinction. But please stop interrupting the minister.

**Mr. T. P. Reid:** This is the most enthusiasm you've shown in the whole debate, Bob.

**Hon. Mr. Welch:** Well, the honourable member knows how strongly I feel about it. I would rather talk about issues than about people's private, personal lives.

**Mr. T. P. Reid:** I wish you felt as strongly about Suncor; it wouldn't have been such a dull contribution.

**The Acting Speaker:** Order. The minister has the floor.

**Hon. Mr. Welch:** Mr. Speaker, perhaps it would be wise to remind ourselves that Suncor is a timely, strategic investment for the province. The rules of the energy game have changed substantially in the past few years. Ontario is the major energy consumer in Canada—let us not lose sight of that—and as the rules change so must the attitude of the province. We really cannot stand still and expect our energy future to look after itself. I think it would be very foolish if we did. So I accept the challenge and the responsibility, and I urge the House to reconsider the wording of this motion and to defeat the resolution that is before us.

**Mr. Kerrio:** Mr. Speaker, I rise today to support the motion put by my leader for very good and obvious reasons. I must commend the minister on a very noble attempt to defend the indefensible. It was a good try. But nowhere in that presentation did he show any valid reasons why Suncor should have been purchased.

There were those in the federal government who said that governments should stay out of bedrooms of the nation. I always thought it was Tory policy for the government to stay out of the boardrooms of the nation. But it appears nothing is sacred over there when it comes right down to maintaining power.

All of the things that have been said by the minister today in defence of that position have left unsaid that if the devil himself were conducting polls in Ontario, this government would be prepared to do business with him. It appears as though it does that from day to day.

What really prompted the government to buy Suncor was the fact that at one time, for some reason or another, misrepresented or not, some of these pollsters said to the government of Ontario that people out there have a very strong feeling about where we should go and that maybe we should own a piece of an oil company. But I wonder, if the government had put that question to the people during the election, whether they would have accepted its arguments and voted the way they did. I am not quite so sure they would have.

There is something I have to bring to the minister's attention, because he has made the comment on many occasions that we have shown great hindsight and 20-20 vision. Let me

remind him that during the campaign our former leader pointed out to the people of Ontario where this government was headed. He said that if the government did not look into alternative forms of energy, if it did not do the kind of research that was needed here in Ontario to look at the renewables and to do the other things, that a very sad state of affairs would develop in the province as it relates to energy.

What did this government do? It tried to dub that man as a negative person. But he pointed out all the things that have happened to us. That was foresight; that was not hindsight. Everything that was said at the time has come to pass. Now we have a government that would dabble and talk about making investments, not for the good of the people of Ontario but because of a reaction to polls and what that might do to keep the government in power. It had little to do with the merits of buying that oil company.

I will tell the House something that could be worse. I would not want to be a shareholder in Suncor if that government owned 51 per cent. I would be very concerned about my investment, and I would try to get out of it as quickly as possible.

The minister issued a challenge. He is a very political person. I like his style, his manner and his stature when it comes to politics. He challenged us to question the experts who talked about the buying of this company.

Now I would like to throw a challenge out to him. Will the minister show us someone in the private sector who has the kind of ability, talent and expertise to look into a situation like this who is willing to join with them in purchasing the balance of those Suncor shares? Let him find me one. I think that challenge is just as valid as the one he put to us.

As energy critic for the party, I believe this 25 per cent of Suncor is a grave misuse of taxpayers' money. Never have so many taxpayers been forced to spend so much to get so little. As time goes on, that statement will become more and more obvious.

I want to address now the three energy-related reasons why Ontario made this ill-advised purchase and then discuss the alternatives that should have been investigated.

In his press conference of October 13, 1981, the Premier gave three energy-related reasons as to why Ontario made the investment in Suncor: to assist the Canadianization of the petroleum industry, to provide for security of supply and to provide a window on the oil



industry. I want to touch for a moment on each of those matters.

First, the Premier said he wanted to show he supported the federal government's desire to Canadianize the oil and gas industry. Talk about being hypocritical! That government consistently points its finger at us and talks about our involvement with our federal brethren in Ottawa. That is unbelievable, and I am sure unsupportable by many good Tories across this province, particularly after making the boast that they support their leader in Ottawa. That is the grossest injustice to that man. I guess with this kind of support it is no surprise to see him going downhill again at one hell of a clip.

I made the comment as an interjection, but now I want to put it on the record in the event it was missed. Their man in Ottawa, Joe Clark, would sell their interest so fast that it would make their heads swim. I do not see that they have this great rapport with their federal brethren.

We are talking about more than \$650 million and \$2 million in interest charges to show support for this federal policy. The Premier could have made a contribution by giving strong vocal support to the federal Canadianization program and the activities of Petro-Canada without making that tremendous investment.

As to the question of security of supply, buying 25 per cent of an oil company does not provide security of supply. Energy security is neither enhanced nor diminished by the purchase of Suncor. Furthermore, not one extra drop of oil will come to Ontario whether or not the citizens of Ontario own the company, because it is the federal government and the federal government alone that controls the distribution and allocation of oil in Canada.

The Premier also stated that he wanted a window on the oil industry. That rationale is sheer nonsense. The federal government already has such a window on the petroleum industry in the form of Petro-Canada, and information on the internal workings of the oil industry is obtainable by means of a simple telephone call to the people in Ottawa.

Wanting a window on the oil industry does not mean one has to spend \$650 million plus interest. That is ultra-expensive research when one can get the information for nothing from Petro-Canada. The only real window we have today, as Maclean's magazine has suggested, is the sight of dividends flowing south to the United States.

4:40 p.m.

What are the energy alternatives to a deal that increases the provincial deficit, that does not provide one extra job to Ontarians who are facing high unemployment and that does not provide one extra drop of oil for the province? As David Crane asked in his Toronto Star article of October 28, 1981, if one suddenly found \$650 million to spend on ways to help the Ontario economy, would one go out and buy 25 per cent of an oil company? I would suggest one would not.

Since this deal does not enhance Ontario's energy security for the future, we have investigated investment alternatives that would assist in our energy security. Had the \$650 million been invested in fuel alcohol plants, six 1,000-metric-ton-per-day plants could have been constructed with the capacity to produce 430 million gallons of fuel alcohol per year. By 1990, these plants could have replaced 15 per cent of Ontario's gasoline requirements. In addition, such a project would have created 7,000 direct and continuous jobs as well as more than 1,000 jobs during the construction of these plants.

Such a venture would have secured these fuel supplies for the province, would have kept the capital in Ontario, would have created badly needed jobs and would have helped to revitalize our provincial economy. Many of these things have been pointed out time after time, in a constructive way, to this government; and unless it listens to some of the very worthwhile projects that we have put forward, it does not augur well for the people of Ontario.

**Mr. Breaugh:** Mr. Speaker, I rise to support the motion that is before this House this afternoon.

The entire exercise has been an interesting one to try to analyse. In the main, it points out very clearly some of the faults of this Legislature. It also reflects, in part, some of the difficulties that a parliamentary system has in dealing with the very complex modern world. When one gets to the bottom of all of the issues and hears what really happened, one finds that one man—not this Legislature, not even the government over there, but one man—decided to do something and made it happen; namely, to spend \$650 million on an investment.

If one tears apart all the surrounding public relations stuff to justify what happened, one gets to the very weakness that is there. One person, the Premier, on his own, in consultation not with the Legislature but with his own staff, can decide that this kind of public expenditure ought to occur. Then, after he makes that decision, he drags his cabinet into it. Slowly, but



surely, he drags the back-benchers who support the government into it, and the rearguard action to try to defend the initial purchase goes on.

It points out very clearly that we do not have what the government purports to have been investigating for some lengthy period of time now, and that is, as legislators, access to the information on which these decisions were made. I want to make the distinction that even when we clearly delineate what we want—not what the government chooses to give us, but what we, as members of the Legislature, think is necessary to have a reasonable discussion about this—when we lay that out, the government can still say no.

In this instance the government of Ontario is being told what it can release and what it cannot release by an American company. Is that not a fine fix for a Legislature to be in? It is not that it is unusual, but it does point out a flaw in the system that we use to govern ourselves.

It also points out that in two moves, one made by the Premier on his own and one made by the Minister of Health (Mr. Grossman) on his own, virtually any elasticity in the provincial budget for this year is gone. The irony is that we do not even know the full extent of all the ramifications, and we will not until this Thursday evening when, in another quirk of the parliamentary system, the Treasurer will stand up and, on his own, will announce the price the people of Ontario will have to pay for this expenditure; and it will be more than the astronomical sum of \$650 million, because that is only one side of the equation. The other side is that it severely limits what this government might do in an economic crisis to relieve the citizens of this province. So there are two sides to this coin.

One might argue, as we have, that if the government had purchased a controlling interest in this or any other oil company, it might well be able to do what the minister said it would do. It might well be able to provide new investments, new jobs and new energy techniques; the government might be able to accomplish that. But the plain fact is it did not get control of the corporation; it was bought clearly as an investment, in the hope of making some money.

That leaves us with the prospect that the government of Ontario is nothing more than an investor in the market. In this government's eyes that may be a good thing to be but, from the opposition side and for most people in this province, that is not why governments are elected. If people want to invest in the free

market system in the United States, they go to stockbrokers; they do not go to a ballot box. They make a conscious decision. The sad part of this exercise is that the government of Ontario has made all the taxpayers of Ontario be in it, whether or not they want it, whether or not they want to be investors, whether or not they want to go into a high-risk energy business; it was not their free choice.

The government says, "We had an election a year ago." If the government wanted to make this kind of major investment, I wish it had put that into the Board of Industrial Leadership and Development program. If the government had been willing to discuss at large with the electorate what it wanted to do and people had said, "Sure, go and spend \$650 million on an American oil company," if the people had voted them into office on that basis, I might have disagreed with that, the government would have had a mandate to do it. But I listened fairly carefully to the Conservatives all through the election campaign, and I did not hear them mention once that buying into an American oil company was at the top of their agenda. It seems to me the government has missed the boat there rather badly.

One of the things that is kind of interesting in this House is that last Thursday afternoon in debating private members' public business we had an opportunity to hear from a Conservative back-bencher who has just arrived, the member for Cambridge (Mr. Barlow). He brought into the House a resolution urging people to buy Canadian and reflecting the concerns many of us have. They are in this little brochure called *Jobs for Cambridge—Buy Canadian*.

He recognized that we are faced with a rather high unemployment rate, that many of our established industries are having difficulty competing and that even our new multinationals are having difficulty competing. He urged members to recognize that it is really important in this economic downturn, for individuals, people in their houses, to think through clearly what they purchase, how they spend their money and how they make their personal investments.

The government of Ontario and the Premier would have been wise if they had listened to the member for Cambridge before they made this investment decision. The Premier would have been very wise had he taken heed of these words; had he read this little brochure and bought Canadian; had he made sure his investment brought to his own province the jobs we need so badly now; had he brought before this



Legislature a process that would have allowed the members to put out a strategy, an energy program, an investment program or whatever, for the future of this province, put that through a legislative committee and, at the end of that process, decided that a purchase was necessary. But none of that was done.

It is interesting, too, to look at Conservative members who are not part of the government and to listen to their responses, initially and subsequently, to what the Premier did. I am sure I know what would happen if certain words were taken out of this resolution before the House this afternoon; if we told the whips in here to take a walk for today; if we said, "We are going to have a free vote on whether the purchase of Suncor shares was a sensible, legitimate exercise"; if we set aside our party differences, our political philosophies, and just looked at the hard nuts and bolts of the issue; if we said, "There will be no division in here; we will come in and we will vote on it as a sensible or not sensible proposition"; I know well what would happen if we deleted from this resolution the part that has to do with confidence or no confidence in the government.

As I look around this House right now, if that vote were called at this instant, if it were a free vote, if the members were able to say here what many of them have gone home to say, I think the government would lose. I do not think the government on its own side could win; I do not think it could hold up. I think the Deputy Premier (Mr. Welch) would have a tough time with his own troops over there, because many of them are enjoying the wonderful privilege that members of the government party have of going home and saying: "I think the Premier overstepped his bounds. He did not ask me about that one, for sure."

**4:50 p.m.**

I know there is a poll that the people of Ontario paid for, which said it might not be a bad idea for the government of Ontario to make some investment in an oil company; it might do something parallel to what the federal government has done. But I sincerely wonder whether the government with its polling system would dare to go out there now and ask the people about the purchase of Suncor shares.

I wonder whether the government would have the political guts to go to the population now and say: "We just spent \$650 million for 25 per cent of an American oil company that operates basically in other parts of this country, that will not give us any more oil and that will

not necessarily give us any more jobs. We really will not be able to control what that oil company does; we just bought it as an investment."

I am thinking of people who are not very sure where the mortgage money is going to come from next month. There are 12,000 people unemployed in my constituency alone. What would happen if the government went to those people and said: "Is now the time to make that kind of investment? Is that a good, rational thing to do?" The answer might be yes one could go to them and point to the jobs here in Ontario that will come from this kind of investment; it might be yes if one could say it will produce more oil; it might be yes if one could say it will do the Ontario economy some good. But these are not arguments that even the government makes.

It is an interesting exercise to have a no-confidence motion around one particular issue such as this, because it allows us as members to focus on the process. Its flaws are really showing in this; in the fact that the Premier of Ontario—it does not matter that he heads the government, he is still one person—and the staff advising him can make that kind of decision and then tie that can to the tail of all the opposition members and all the government back-bench members. Subsequently there is an attempt to justify the process, but it does not necessarily mean unfolding before a legislative committee, for example, all the information the government has. It is interesting that the government can still hide behind something called the confidentiality agreement. How pertinent is that to the members of this Legislature? Not very, I am afraid.

I listened with great interest to the debate this afternoon and to the government, and I sense that the Deputy Premier in particular is feeling his neck a bit on this one, because he is not a man who is normally given to stridency; he is not a man who normally loses his cool, but he loses it quite regularly on this issue.

I listened with great amusement to the members to my right. I am fascinated with the Liberal Party in Ontario and their relationship to the federal Liberal Party. I do not know whether it is the names that are used, but it strikes me that on the one hand there is a federal Liberal Party which, I would think, because of its announced policies and the national energy program, probably would support this concept. Whether it would support the specifics of this deal is another question, but at least it would support the concept. On the other hand, not only do the members to my right spend a lot of time dealing with the specifics of this purchase but also many



of them seem to be to the right of my Tory colleagues opposite.

Interjections.

**The Acting Speaker:** Order.

**Mr. Breagh:** I seem to recall that lately I read a report that the provincial Liberal leader thought the Prime Minister of the country was a millstone around his neck. I do wonder whose neck all these other little millstones are strung around. A small measure of consistency would have to emerge to find a common Liberal front on any item, and particularly on this one.

It is unfortunate that our Legislature is not structured in such a way that the members to my right and, indeed, the members in support of the government do not have the opportunity to find out what the government really did. It seems to me to be a shame and a blow to the parliamentary system in which we work that even members on the government side of the House cannot have put before a legislative committee all the documents that they want; that they cannot ascertain the basis upon which this purchase was really made; that none of us, including members in the cabinet itself, has a clear idea of what the economic impact of this kind of purchase is on the province.

It seems to me that is crucial to the matter that is before the House this afternoon. Members on all sides have an obligation to speak up this afternoon, because there are members on the government side going back to their home ridings, including the member for Prince Edward-Lennox (Mr. J. A. Taylor), saying things that certainly are at odds with what the Premier did in this instance.

In their heart of hearts and in their conscience, I think most of the members of this assembly, on all sides, would agree at least with the principle that is behind this resolution this afternoon.

**Mr. Andrewes:** Mr. Speaker, I am delighted to stand in the House today, first of all to welcome on behalf of all members of the Legislature the mayor of Lincoln, who has travelled to this fair city to sit in on the proceedings, and certainly to join my colleague the Minister of Energy in support of this government's investment in Suncor.

**Mr. Kerrio:** Oh, I don't believe that.

**Mr. Andrewes:** I am going to ignore the member for Niagara Falls for a while.

**The Acting Speaker:** Well, I am not.

**Mr. Andrewes:** In so doing, I also stand in

support of our commitment to future energy security for this province, because when we get right down to it, that is what this debate is all about: energy security and the price we are willing to pay for it.

Ontario is the major oil-consuming province in Canada, and yet we have virtually no oil of our own. Of course, that did not matter much when our oil supply was steady and secure. But today, in the aftermath of the 1970s oil embargo and with the world situation increasingly unstable, we must be concerned about the future energy supply.

Far from fading away, the energy problem is as threatening as ever. Long-term supplies are limited, and control of most of the world's crude reserves remain concentrated in a few Middle Eastern countries. The damage that oil price increases have done to the world economy is still unrepaired.

I know some would be quick to jump on that remark and point out that right now there is a world oil glut and prices are going down; more reductions may even be on the way. Perhaps we need to be reminded the obvious answer is that this is a temporary condition over which we have no control, just as the oil embargo of the early 1970s was a temporary situation and beyond our control.

Obviously we cannot draw long-term conclusions from short-term happenings. Our one continuing long-term reality is that with half the world's oil production in its control, the Organization of Petroleum Exporting Countries will call the tune for many years to come and we cannot depend on today's oil realities being tomorrow's.

The Suncor investment starts the Canadianization process of a company which to this point has been 99.8 per cent owned by the Sun Co. of Radnor, Pennsylvania. Our objective is to encourage private Canadian investment in Suncor by acting as a catalyst in that process.

As well, given the new energy rules, this investment puts Suncor in a better position to play an enhanced role in helping Canada achieve crude oil self-sufficiency.

5 p.m.

**Mr. J. A. Reed:** I don't know whether I can take much more of this.

**Mr. Andrewes:** You can leave any time.

In addition to these energy imperatives, Suncor is a good financial investment for Ontario and Ontario taxpayers. Suncor employs 4,930 Canadians of which 60 per cent work in eastern



Canada. The company owns and operates a 90,000 barrel-a-day capacity refinery in the city of Sarnia. Suncor's oil sands division has Canada's first oil sands plant.

**Mr. J. A. Reed:** What percentage is it running at today? Sixty per cent.

**Mr. Andrewes:** Built in the late 1960s and recently expanded at a cost of nearly \$600 million, that plant is worth at least \$6 billion today. Approximately 58,000 barrels a day of synthetic crude oil is produced by that oil sands plant. There are also 870 Sunoco dealers and service stations throughout Canada, of which 60 per cent are in Ontario.

Along with oil and gas, Suncor holds coal leases for some 6,799 hectares of land with estimated coal resources of 222 million metric tons and has applications for another 11,299 hectares in Alberta.

**Mr. J. A. Reed:** Tell us about the one-third it has divested since 1976.

**Mr. Andrewes:** The firm also has extensive interests in uranium. Analysts across our province have praised the Suncor investment as a sound one.

**Mr. J. A. Reed:** Especially the ones—

**The Acting Speaker:** Order. Please stop the interruptions.

**Mr. J. A. Reed:** Mr. Speaker, I can't help it.

**Mr. Andrewes:** Let me quote for members just a sampling of these comments. Richard Hallisey of First Marathon Securities says: "Ontario has struck a good bargain. It would cost about \$6 billion to build an identical oil sands plant today."

John Dawe, the business editor of Global Television, reported that: "The federal government could learn a thing or two from the Ontario government when it comes to investments. The purchase of 25 per cent of the Canadian arm of Sun Oil Co. will cost Ontario \$650 million. But according to oil experts that's only about one third of the replacement value of the assets that the investment represents."

Let me give one more quote from Ted Shrieker. I am sure the members of the third party will be interested in hearing what Ted Shrieker had to say because Ted Shrieker was a former researcher for the New Democratic Party in Ontario. What did he say? He said: "In the long term, anything that increases the Canadianization of the oil industry is going to have an effect in terms of increasing Canadian control over decisions made within the industry.

So, in the long run, it is definitely a good deal for consumers."

All of these opinions add further weight to the analysis originally done by McLeod Young Weir and Price Waterhouse before our government committed itself to this purchase, an analysis, I would remind members opposite, that found the negotiated price paid for our Suncor shares to be fair and reasonable.

The plain facts are—

**Mr. Bradley:** Phil doesn't believe that.

**Mr. Andrewes:** Oh, the member for St. Catharines (Mr. Bradley) is here. Welcome St. Catharines. I am glad the member for St. Catharines is here because no doubt he will want to share in the enthusiasm for this purchase.

The plain facts are that Suncor plays an important role in Canada's energy development and that the Ontario government got a good price when it invested in the company's operations.

Of course, our efforts in the energy sector have not been entirely confined to the Suncor acquisition. On the contrary, the government can take great pride in its continuing efforts to reduce our province's dependence on oil and its unwavering dedication to the goal of eventual energy self-sufficiency, a goal that is as vital today as it was in 1980 when it was first pronounced.

We are committed to reducing the annual increase in demand for all energy forms to no more than two per cent a year by 1985. We have set tough conservation and substitution targets for the four major sectors, those being transportation, residential heating, and commercial and industrial.

In 1980, the government announced a 10-point, \$165 million program for the development of alternative transportation fuels, solar energy, industrial conservation and substitution, and a range of other major developments.

Consider, if you will, the energy initiatives of the Board of Industrial Leadership and Development program. In the energy area, BILD is investing many millions of public and private dollars to ensure the fullest possible exploitation of Ontario's basic indigenous energy source, electricity, as well as supporting alternative energy programs.

While each of our many alternative energy and conservation programs are helping to reduce our dependency on foreign oil, it would be naive to believe that our alternative energy sources



will be able to completely replace our oil and gas consumption in the near future.

Without doubt, oil and gas will remain important elements of the province's energy requirements for years to come, and that reality makes our Suncor purchase very valuable indeed. With this purchase, Ontario's voice in oil pricing and strategy discussions will carry more weight. Equally important, the purchase gives Ontario some measure of control in an industry that worldwide is volatile and unstable. We now have a greater measure of control over our energy future.

**Mr. Bradley:** On a point of order, Mr. Speaker: Perhaps you could find out for us whether the chief government whip will be permitting the member for Leeds (Mr. Runciman) to speak on this issue this afternoon.

**The Acting Speaker:** That is not a point of order.

**Mr. Bradley:** I am sorry. I should have known that.

**Mr. T. P. Reid:** I want to deal essentially with two matters in my remarks, one of which I may not get to in its entirety so I will deal with that at some length in my budget speech.

I want to talk, first, about the process surrounding this matter and, secondly, about the financial and economic effects of it.

First of all, I want to make a prediction. This purchase of Suncor is going to come back and haunt this government and is going to cause it to lose the majority in this province in the next election. It is going to be an albatross around the neck of each government member, something they are not going to be able to defend to the public of Ontario, their own Conservative supporters or the voters in the province.

I will make a second prediction, that when the leadership for the Ontario Conservative Party comes up, and you mark my words Robert, those who are contenders are going to be denying you and the Premier—

**The Acting Speaker:** Members are not to refer to ministers or other members by their first name.

**Mr. T. P. Reid:** I have known Bobby all my life.

Mr. Speaker, like St. Peter, the Treasurer, the Minister of Health, the Minister of Agriculture and Food (Mr. Timbrell) and the Minister of Education (Miss Stephenson) will all be denying the Premier and the Minister of Energy. In fact, they will say, "We had nothing to do with this decision and we did not believe at the time that

we should buy Suncor. We are washing our hands of it." I will make a small wager right now that is exactly what will happen.

**Hon. Mr. Welch:** Will the cock crow?

**Mr. T. P. Reid:** The cock will crow because we have already heard the minister speak.

I want to say something else about that because I have sat in this House for nigh unto 15 years. I have seen the Minister of Energy in all his other manifestations and, before Suncor, he was probably one of the best performers in this Legislature; one of the best, maybe one of the top six. There was himself, my former friend the late Mr. Bullbrook, myself and two or three others; but he was one of the best.

**5:10 p.m.**

When he spoke in those other manifestations of his, he believed in what he was saying, and he believed in a Conservative philosophy, misguided though it might have been. But he believed. He read his speech this afternoon with all the enthusiasm of a little boy on his way to his first dental appointment. His enthusiasm reminded me of that of the disinherited relative at a funeral.

Without a doubt that was the worst performance he has given in this Legislature since I have been here, and it is unfortunate. But it is understandable because he knows in his heart and his conscience that it was a mistake, it is not Tory policy; the economics of the situation have and are going to put us in an economic bind in Ontario and it is going to come back to haunt him personally. Malcolm Rowan will go on to something else but the minister is going to carry the can, politically, for him.

The question arises, why did a so-called Conservative government buy an oil company not situated in this province in the first place? I think it was partly ego on behalf of those who surround the Premier most closely—one of whom, I get the impression, is no longer the Minister of Energy. So it was a matter of ego. The government did not feel it was in the ball game any more.

Ontario used to be the leading province in Canada but we have seen it slide not only economically but from its pre-eminent political position in the country since the days of John Robarts and the Confederation of Tomorrow Conference. The government felt it was getting squeezed out and was no longer a player; that if it was going to sit around with the big boys like Lougheed and Bennett and Blakeney and a few others, it had to have an oil company to get its



chips on the table. It could not ante up unless it had that.

There is another thing, Mr. Speaker—there is a more knowledgeable Speaker in the chair so I am sure he will agree with me. In Goldfarb's omnibus poll taken in 1980 by the Treasurer, who is very interested in his newspaper, there was a series of questions asked about whether or not we should buy a petroleum industry.

Question 199, in a poll that runs to over 240 pages, asks the people of Ontario, "How would you support the establishment of a provincially owned oil company similar to Petro-Canada?" The results were: strongly support, 31.5 per cent; moderately support, 38.7 per cent; moderately opposed, 13.6 per cent. We all know this government runs by poll; that it is government by Goldfarb.

But there were other questions asked. On occasion the Premier insists that the polls are not political, that they are only for information. But the next question in that same series of questions was, "What do you think of the job Premier Davis is doing in the federal-inter-provincial debate over oil price increases?" And the next question was, "Would you be in favour of or opposed to legislation for the nationalization of major oil companies?" The result in favour was 50.5 per cent.

So the government had the information it thought it needed to go ahead and make this purchase. That is why it was done: not for energy security, which it does not give us; not for any of those reasons for which they are great supporters of the national energy program, because they are not, particularly; but because they thought it was something that had favour with the public and something they needed to be players in the game and to be able to ante up with the big boys.

I want to spend a few minutes, because time is limited, on dealing with the process. The process is this.

The Premier and his close advisers, I presume prodded on by our friend Malcolm Rowan, who wanted something to do—he did not just want to sit and look out the window of his office at the energy corporation—decided in October or November 1980, before the provincial election of 1981, to give instructions to start looking for an oil company. They were going to be players in the game. There was not a word mentioned in this Legislature about that search at all, or the fact that this was part of the government's policy.

We went through an election in March 1981.

We did not hear one word from either the Premier or the Minister of Energy that they had this in their minds, that they were going to commit \$650 million of taxpayers' money, plus interest, which will bring it to well over \$2 billion by the time we are finished. There was not one word during that election, not in all of that multitude of ads, not in the little jingles "Preserve it, conserve it" and "Davis can do it." There was not one word that this was going to be probably the most major economic project this government had embarked upon.

What we did hear about was the "bilge" program which, of new money alone, and I am being charitable and liberal, has maybe \$75 million that was not brought in from other programs. We heard all about the "bilge" program, but we did not hear one thing in there about this government buying a part, piece or any control in an oil company.

So we went through an election without a word being said. Then, in October 1981, the Premier made an announcement to what can only be described as a shocked Conservative caucus in this Legislature and certainly a shocked opposition.

**Mr. MacDonald:** And cabinet.

**Mr. T. P. Reid:** And cabinet. It was the first anybody had heard of it. We were told that only four cabinet ministers were brought into it, that only four knew. Presumably, from what we know, the Treasurer was not among those. If he was told, it was so late that the decisions had been made and all he could do was register his rather weak-kneed, "But that is not Tory philosophy; that is not the way we do it in Muskoka."

**Mr. Kerrio:** He was in shock.

**Mr. T. P. Reid:** But I will bet the Treasurer will deny that when he runs for the leadership. He will deny it. He will say, "You remember those press reports, remember when they said the Treasurer was against it? Well, I was." That is what he will say.

I talk about the process, Mr. Speaker. I say to you that it was not the collegial cabinet responsibility we saw. It was not even all members of the cabinet who were involved. It was our friend Mr. Rowan, with his great accountability to this Legislature. There were some of the Premier's close friends and advisers whom I know well, and respect and like, but they were the ones who made the mistake—that was a Freudian slip; made the decision. It was not the members of the cabinet collectively, and the poor Tory seals



on the back benches could not even get their flippers together the day the Premier announced it in the House.

There was no collective accountability by the cabinet, and there was none through the Conservative caucus. There has been none to this Legislature, and none to the people of Ontario.

We have heard a lot of guff from the Minister of Energy about disclosure and giving us all the information. But it is not so. The worst thing that the minister has done is come before our respective caucuses, sit there, let Malcolm Rowan carry the ball and have the people from McLeod Young Weir tell us that he had given us all the information he could. Then we find out on December 23, 1981, just two days before Christmas, that Suncor had given itself a Christmas present of \$78 million in dividends that the minister did not tell us about when he was before our caucus, and he did not tell those people. That is an error—

5:20 p.m.

**Mr. Wrye:** You didn't ask.

**Mr. T. P. Reid:** That is a sin of omission. That is the height of arrogance.

**Mr. Wrye:** That is your attitude too.

**Mr. T. P. Reid:** I am just about finished. I say the minister misled all of us when he did that. He misled all of us. That is the worst thing I have ever seen the minister participate in because he had an obligation to give us that information. Was that confidential? No, it was not.

Mr. Speaker, my time is running out—

**The Deputy Speaker:** Order.

**Mr. T. P. Reid:** The democratic process has been abused.

**The Deputy Speaker:** Order. As much as I respect the member for Rainy River, I do have some trouble with the suggestion of the Minister of Energy misleading the House, misleading us—

**Mr. T. P. Reid:** Mr. Speaker, he misled our caucus. It wasn't in the House. You have no jurisdiction over what happens outside the House.

**The Deputy Speaker:** Now you are playing the other side of the coin. I will remember that. You are in the House now. You have indicated the Minister of Energy misled members who are at present in the House.

**Mr. T. P. Reid:** I said that he has committed an error of omission and that he had the responsibility to tell us about those dividends being taken out before the deal was consum-

mated. For that, he has a responsibility towards this House and I think he owes us an apology. He screwed up the economy of the province. He messed up on this deal, and then he deliberately withheld information from us and pretended that he was disclosing everything he could and all that he knew. That verges on the dishonest.

**The Deputy Speaker:** That second statement replaces the previous statement.

**Mr. T. P. Reid:** They are interchangeable.

**Mr. Riddell:** The message has got through, I am sure.

**The Deputy Speaker:** No. With a bit of decorum, I take it your last statement replaces the aspect of the minister misleading members of the assembly.

**Mr. T. P. Reid:** It would be more precise to say that he verged on the dishonest by not providing the information that he said he was providing.

**The Deputy Speaker:** We are turning on a fine point here.

**Mr. Cooke:** Mr. Speaker, I rise to support the motion before the Legislature this afternoon and indicate that in my opinion the Suncor purchase by this government was one of the phoniest acts it has committed since I remember reading about the Legislature, albeit not as far back as some members. None the less, the reasons given by this government for the purchase of Suncor, that they are interested in Canadianization and Canadian control, are phoney to say the least.

I agree with the member for Rainy River that this government took a poll and found the Petrocan purchase was a popular one. They found the people of Ontario believed that resources in this country should be owned and controlled by Canadians, but instead of taking action on resources here in Ontario, they decided to take action on the Suncor acquisition.

For the last member of the Conservative Party to talk about 25 per cent investment in Suncor representing control of Suncor, was either a slip of the tongue on his part or he completely misunderstands what 25 per cent really represents. This government is buying 25 per cent. They will allow the other 26 per cent to be bought by individuals or anyone else, which means that 51 per cent will be owned by Canadians eventually, but the 49 per cent block that will be owned by Sun Oil in the United States will still represent control of this company.

We will have nothing to say about sourcing,



nothing to say about investment. We will have nothing to say about the health and safety problems in some of their facilities in Alberta, and we will not be guaranteed any of the benefits in Ontario that could have accrued if this government had acted by taking the 51 per cent, or more appropriately, by taking the money and investing it in resources in Ontario.

At the same time this government says it is interested in Canadianization, the present Minister of Industry and Trade (Mr. Walker) goes around saying that new foreign investments should not be screened by the Foreign Investment Review Agency; that anyone should be able to invest in this country with no performance guarantees; that any foreign investment should be allowed for short-term gain, forgetting the long-term planning. In the throne speech, the Premier indicated the same thing, that FIRA should be weakened.

At a time when this government talks about Canadianization of the oil industry, it did not support this party's resolution that was debated in the Legislature on Canadianization of the auto parts sector, a sector of our economy in this country which is much more relevant and important to the long-term health of this province.

When we had presentations in front of the select committee on plant shutdowns and employment adjustment, one of the representatives from the Ministry of Industry and Tourism, as it was at that time, indicated that over the next number of years 2,000 of the 13,000 branch plants that exist in our province will close down because of the ownership problem and the tariffs that are being dropped. Yet the only response on Canadianization in that sector has been the so-called buy-back program by this government.

According to our statistics as to the so-called success of the buy-back program, as pronounced by the Minister of Industry and Trade, the fact is that at the present rate of buy-back it would take 400 years to acquire those companies which are expected to close down over the next five or six years.

By all accounts, this investment by this government was done for political reasons and had no relevance to planning the economy to benefit our eight million people. I might point out to the Minister of Energy that over 500,000 people in the province, who would like to work, are now unemployed.

Why did we not take a look at Canadianization of the auto sector? Why did we not take a look at

Canadianization of the food processing sector? The Gray report, done at the federal level 10 years ago, indicated that many of the imports which come into the manufacturing sector of this province are directly related to ownership. By importing finished goods, we are exporting jobs.

In 1978, in a study of nearly \$40 billion worth of imports, Statistics Canada confirmed exactly the same thing, that the ownership of the manufacturing sector of this province is primarily responsible for the huge deficits that exist in autos, food and machinery. The potential job creation that exists in those areas could achieve full employment in this province if we had a government that was committed to planning the economy rather than planning its own political success.

Since 1960, over 1,300 of our food processing plants have closed in this province, and that after many of the American multinationals came in, bought them up and then decided to close them down. The result is that in areas such as fresh fruit we have \$129 million worth of imports; in processed fruit, \$191 million worth of imports; in fresh vegetables, \$126 million worth of imports; in processed vegetables, \$47 million worth of imports; in vegetable products, \$22 million worth of imports.

Just in those five areas, there is \$515 million worth of imports in the food sector. If we could simply have import replacement for \$200 million worth of those, that would create 9,000 jobs in Ontario. That is something this government could have done with some of that \$650 million. It could have invested in Canadian food processing plants. It could have worked towards self-sufficiency, something this province used to experience back in the early 1960s.

Let us take a look at mining machinery. Again, there is a huge trade deficit and it has the potential of many jobs to be created in northern Ontario. Yet instead of a strategy of government investment in that sector, the Minister of Industry and Trade, when we went to a banquet last week that the Ontario Mining Association put on, was practically on his knees begging the mining association to purchase Canadian mining machinery and to co-invest with the government.

Why could we not look at some of this \$650 million going into mining machinery to create a sector that could be used, that could create jobs and could replace imports? It would also develop northern Ontario to an extent that northern Ontario has never been developed.



We have talked in this assembly many times about the problems in the auto sector, yet this government decided, by investing in Suncor, that was more important to the future of this province than was a healthy automobile sector—the sector that, if one takes a look at the reliance of this province on automobiles and on auto parts, is just as important to Ontario as is the energy sector to Alberta.

Yet this government decided it was more important to invest in an American oil company that will create no jobs in Ontario, than it would have been to upgrade our auto parts sector, to create jobs, to replace some of the 30,000 to 40,000 jobs that have now been lost in the auto area. Many of those jobs have been lost in the Minister of Energy's own riding.

**5:30 p.m.**

We have put forward many other areas where this government could have invested. If one takes a look at energy, this government could have made a much more progressive investment by looking at peat development in northeastern and northwestern Ontario. The member for Lake Nipigon (Mr. Stokes) has talked many times about the potential for peat development in the province, the potential job creation and the potential to get us off oil and to put us on alternative forms of energy. The fact is there is in peat resources the equivalent of 24 billion barrels of oil. That is the equivalent of 30 years of Canadian oil consumption and obviously represents an incredible potential.

We have talked about residential energy conservation and what the government could have done in that area by investing. We put forward those proposals in the last election and we put them forward again in our recent budget proposal.

In terms of stimulating the economy, we could and should take a look at the need to reform our tax provisions in this province. I am sure the Treasurer is proud of the fact that people in Ontario with \$15,000 and \$20,000 incomes are taxed at a higher rate than in any other province in this country. We should be looking at those low-and middle-income families and bringing them up, especially the ones at the lowest end of the income scale who are relying on family benefits, general welfare and workmen's compensation.

If those people were brought up to a decent standard of living they would be buying. Their purchasing power would be increased and we would be able to stimulate the economy. Instead, this government decided it was a higher priority

to invest in an oil company that will provide no jobs and no degree of control for Canadians or this government in Suncor.

In summing up, I want to point out that as a member of this Legislature who is committed to the democratic process, I am also very disappointed and outraged that this government would spend this kind of money without having to bring in any form of legislation, any resolution or any process that would give members of the Legislature the right to have input and either approve or disapprove of this type of action on the part of the government.

The Conservative government in this province is going more and more in that direction, whether it be Ontario health insurance plan premiums, the ad valorem taxes or the purchase of Suncor. Those elected to represent the people of Ontario in the Legislative Assembly have less and less input and democracy is in a sorry state in Ontario.

**Mr. Kolyn:** Mr. Speaker, the Globe and Mail devoted one and a half pages last Tuesday to an analysis of the value of Suncor with the assistance of so-called professional business valuers. I take no issue with the Richardson report or its findings in the context for which it was undertaken. Indeed, the Richardson valuation was known to the government's own advisers, McLeod Young Weir and Price Waterhouse, when the valuation and critique were carried out in the fall of 1981.

What I do take exception to is the misleading interpretation given by the Globe and Mail and its unidentified advisers, the misquoting of the Richardson report, the naive assumptions made and the completely unsupported conclusions reached as to the value of the Suncor common shares in October 1981.

The Globe and Mail article is an example of shoddy journalism.

1. The Globe did not attempt to verify the content of its story with the Ontario Energy Corp.

2. The interest rate on the Sun Co. 10-year note was not 14.7 per cent, but rather 14.357 per cent.

3. The government has not "indicated its use of a 15 per cent discount rate."

4. Noranda was not "invited by Ontario to become a partner in the Suncor deal."

5. References are made to "Suncor" when only the oil sands division is considered in the Richardson report.

6. The statement "awaiting large-scale profits



until 1994" was based on a gross misreading of the Richardson report.

7. There is a projected pre-tax profit in 1982 for the oil sands of \$447 million. This figure is really the "total expenses" for that year.

8. There are numerous references to "profit" when the correct term should have been "cash flow."

9. Some references to the directors of Sun Oil should actually be references to the directors of Great Canadian Oil Sands.

Clearly, the Globe analysis fails to substantiate its claim that the government paid \$300 million too much. It distorts the findings of the 1979 Richardson valuation, it ignores the substantial changes in the oil and gas industry and it

Clearly, the Globe analysis fails to substantiate its claim that the government paid \$300 million too much. It distorts the findings of the 1979 Richardson valuation, it ignores the substantial changes in the oil and gas industry and it incorporates fundamental errors in its use of discounted cash flows. It is typical that the opposition party would accept at face value this poorly researched Globe and Mail report on Suncor.

Contrary to opposition grandstanding, this government relied on the sound, experienced judgement of both McLeod Young Weir and Price Waterhouse using information that was up to date and, of necessity, confidential to arrive at a fair price for Suncor. Suncor's loss in profits in 1981 and the recent drop in shares does not imply that our investment was a poor choice. The main reason for lower earnings in 1981 was directly related to a change in Ottawa's energy policy pushing the price of oil to \$21 per barrel from \$35 a barrel a year before.

**The Deputy Speaker:** Order. It is my understanding that by all-party agreement there have been time indications. The member has half a minute, the official opposition two minutes and the third party about 11 minutes. Has the member for Lakeshore concluded?

**Mr. Kolyn:** Mr. Speaker, a series of operating problems and a fire which swept the oil sands plant last January also had a detrimental impact on the company's oil sands production.

All companies at some point experience heavy losses in earnings. This does not imply that they will not recover once favourable conditions return. Canadian National, for example, recently announced the worst quarterly loss in its history. The transportation giant lost \$67

million, compared with a \$69.9million profit in the same period a year ago.

**The Deputy Speaker:** Time.

**Mr. Wrye:** Mr. Speaker, I know my time is quite limited, but I do want to congratulate the Treasurer and the Minister of Energy. In the first three months of this year, this boondoggle, this great investment, has earned one dime in our family. My wife, my child and I have each earned 3.2 cents of profit in the first three months of this year. I suppose we should congratulate them while they are still making a profit, because I bet the second three months will not be as good.

**An hon. member:** You will have to give the dime back.

**Mr. Wrye:** I think I will keep it.

I know my time is very limited, but I did want to say a word or two about my friends to the left. They have had the greatest conversion since Saul on the road to Damascus. I want to talk about Monday, November 2, 1981, and the speech from the critic for Industry. He said, "So although we do not agree with the direction the Liberals have taken in this House, which appears to be in opposition to the purchase of 25 per cent of an oil company—or, in fact, in opposition to the purchase of any part of an oil company—and while we believe we should go for control to get a return for the residents of Ontario" then they said they would support it.

**5:40 p.m.**

Or let us look at the statement by the member for Sudbury East (Mr. Martel) on October 20 in question period: "If the minister is sincere about wanting to maximize the benefits for Ontario in including in that some of the write-offs and so on, does he not think it is incumbent on the province to get the other 26 per cent that is floating out there and have total control?"

**Mr. Speaker:** The member's time has expired.

**Mr. Wrye:** That is what our friends to the left would do. They would get the other 26 per cent and they probably would have spent \$2 billion.

**Mr. Wildman:** Mr. Speaker, I rise in support of the motion of no confidence in this government because, as I said in the speech from which the the member for Windsor-Sandwich quoted so briefly, I believe this government has botched up its whole approach to the investment in Suncor.

What has bothered us from the beginning, right after the Premier made his announcement of the investment in Suncor, is we believe—and

the member for Port Arthur (Mr. Foulds) also stated so at the time—that for \$650 million this government could have bought more of the action in Suncor. I believe our leader at that time indicated this \$650-million purchase, by our calculation, should have entitled us to obtain at least 38 per cent, not 25 per cent of this company.

We questioned at that time the McLeod Young Weir evaluation because we did not have all the information and because it appeared to us to overvalue the cost of the shares in Suncor. We pointed out at the time that Suncor, because of the order from the federal government, had been required to divest itself of some of its shares and had approached at least 15 companies, not one of which expressed serious interest in obtaining a part of the company.

I am very concerned about some of the statements that were read by the Minister of Energy, his parliamentary assistant and the other member of the Conservative caucus who spoke in this debate. They made statements to the effect that somehow the investment by this provincial government in Suncor was going to increase crude oil self-sufficiency in this country. Not one of them was able to substantiate that bald statement. How on earth is an investment of 25 per cent of Suncor going to increase crude oil self-sufficiency in this country?

The argument can be made that Canadianization might be achieved, and those members opposite did make the argument that they were assisting in the federal government's aims for more Canadian ownership in the oil industry. They went on to equate Canadianization with control, which, frankly, was completely fatuous.

Purchasing 25 per cent of a company does not give one control. Not only does it not give this government control, the purchase of 25 per cent by this government and the subsequent purchase of 26 per cent of the company by other Canadian investors does not make Canadian control. For the parliamentary assistant to end his speech by saying that this was increasing Canadian control in the oil industry was completely ridiculous and inaccurate.

We have said, and we believe today, that the aim to increase Canadian control of the oil industry is one that we should be supporting. But the purchase of 25 per cent of Suncor for \$650 million does not increase Canadian control. We have seen that this company continues to operate as it has done in the past, without any

change in its approach, because it is controlled by Sun Oil in the United States.

The president of Suncor made a statement in Calgary not long after the government investment in which he said that what it meant was business as usual. There would be no changes. Public investment in the company did not mean any change in the direction of the company or in the operations of the company. As a matter of fact, the president of that company had the gall to state that this investment meant a new bottom line. It would be easier for energy companies now to risk capital because a lot of that capital would be public capital. In other words, he was talking about making public the risk in the energy field.

This government, as my leader has said, has botched up the whole approach to getting any kind of Canadian control or ownership in the oil industry. For that reason, right from the beginning, we have questioned its approach. We have also questioned all the secrecy that has surrounded this investment. We do not know—nor do the people of Ontario—how this decision was made or what the reasons were to invest in Suncor as opposed to some other industry, or what benefits would run for the province as a result of that. Nor do we know at this stage what the true cost of this purchase will be.

It would be interesting if the members opposite in this debate had got up and explained why they believed this investment in the energy field, which they have defended, was in any way better for the taxpayers of this province than the investment they could have made in the uranium industry in this province that was recommended a few years ago by Ontario Hydro.

Why is it more profitable and better for the people of this province to invest in an oil company than to take the advice of that crown corporation? It said, "We want a more secure source of uranium for our energy production and we believe it would be cheaper to purchase Denison Mines and Rio Algom than it would be to purchase that uranium on a long-term contract" Not one member of this government has ever explained that.

Interestingly enough, the Liberal Party, which has made such a big deal of being opposed to investment, despite its federal colleagues' investment in Petrocan, has never been able to explain in this House why it opposed the recommendation of the select committee that there should have been a public investment in the uranium companies in Elliot Lake, so that the people of this province would have had an



assured source of uranium and we really would have had some say in the energy direction of this province.

The Liberal Party has made a lot of changes of positions on this side of the House, but it has never been able to admit to itself and to the public of this province that it tried to have it both ways on the uranium contract. It has never been able to explain to anyone what its real position is on uranium in this province.

The questions that have been raised in the last few weeks add to the questions we have had from the beginning of this contract of purchase of Suncor. We believe a full public inquiry is required so that the people of this province and the members of this assembly will know exactly how much they are paying, what the costs really are and what the benefits might be.

The minister has hidden behind his agreement with the company and has not given all the information we believe is necessary. I would like to know what the minister is afraid of. Why will he not give us the information? He has said he would like to give the information, but it is impossible because of the agreement. A public inquiry would let him get around that problem, and we would see what the costs really are and what the benefits might be.

I am not certain exactly where we go from here. The minister refuses an inquiry. We do not have all the information. I do not quite understand whether the leader of the Liberal Party is suggesting we should divest ourselves of the investment this government has made in Suncor. If that is what he is saying, he seems to be missing the reality of the situation. With the change in the value we have now in the shares, it would seem to me that what he is suggesting is divesting ourselves of the 25 per cent share at a loss. If that is what he is suggesting, it does not make a lot of sense. First off, if it was dumb to invest, it would be twice as dumb now to be selling at a loss.

**5:50 p.m.**

It is obvious this government does not know what it is doing, that it never knew what it was doing in the energy field. It has no real reason by which it could defend the investment in Suncor

and for that reason we have no confidence in the ability of this government to plan for the energy future of Ontario.

The House divided on Mr. Peterson's motion, which was negatived on the following vote:

#### **Ayes**

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, MacDonald, Mackenzie, Mancini, McClellan, McEwen, McGuigan, McKessock;

Newman, Nixon, O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Riddell, Roy, Ruprecht, Ruston, Samis, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

#### **Nays**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Rotenberg, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes, 46; nays 66.

#### **BUSINESS OF THE HOUSE**

**Hon. Mr. Wells:** Mr. Speaker, I would like to inform the House that there is a change in the order of business for the sitting tonight. We will be resuming the adjourned debate on second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Mr. Nixon:** Don't you have to have unanimous consent to change the order of business?

**Mr. Speaker:** No, and I am sure that comes as no surprise.

The House recessed at 6:02 p.m.

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Breithaupt, J. R. (Kitchener L)  
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Ontario, LEGISLATIVE ASSEMBLY

No. 47

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, May 11, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, May 11, 1982

The House resumed at 8 p.m.

## MINISTRY OF INDUSTRY AND TRADE ACT (continued)

Resuming the adjourned debate on the amendment to the motion for second reading of Bill 38, An Act to establish the Ministry of Industry and Trade.

**Mr. Stokes:** Mr. Speaker, for the benefit of those hordes in the gallery and on the benches across the way, we are dealing with second reading of Bill 38, An Act to establish the Ministry and Trade in Ontario.

I know my friend and colleague the member for Sault Ste. Marie (Mr. Ramsay) would want me to wish the students from his riding well and thank them for taking enough interest in parliamentary democracy in Ontario to come down to see what we do here.

This bill will set up a new ministry which we hope will give a new sense of direction for an industrial strategy and to foster an improvement of trade by the province, not only with other areas of Canada but also with other jurisdictions throughout the world. The gentleman who is taking his seat on the far side will be the minister of that new Ministry of Trade and Industry (Mr. Walker).

Yesterday afternoon, when I was interrupted by the clock, I was talking about the Design for Development for an industrial strategy—

**Mr. Nixon:** That goes back a long way.

**Mr. Stokes:** The member for Brant-Oxford-Norfolk, a former leader of the Liberal Party in Ontario, reminds me that Design for Development goes back a long way, regrettably with not too much success. When one looks at it, the Designs for Development in northwestern Ontario, northeastern Ontario and the Toronto-centred region had a great deal of hope and promise for tremendous expansion in our industrial sector.

We all know that has not happened. We know all the problems confronting the manufacturing sector, particularly in southern Ontario, and the resource sector in northern Ontario. In fairness, that is not only because of the inaction or the inability of this government to effect an economic strategy for this province; a good deal of it is

from forces that prevail outside our borders; that has a profound effect upon our ability to sell what we produce, which is so much in excess of our ability to consume.

It is certainly obvious to us on this side of the House, and I am sure it is obvious to the new minister, that if any benefit is going to accrue to the people of Ontario from the setting up of this new ministry, the new minister and his minions are going to have to formulate new policies and programs that will deal with the realities of the 1980s, not only in the way in which we set up programs to foster economic development but also in terms of our ability to compete with other jurisdictions, particularly those on the Pacific Rim, such as Japan, South Korea and Singapore, and even some of the new jurisdictions in South America.

This government and, to somewhat more important extent, the federal government have taken a sort of laissez-faire attitude towards economic development, without an economic strategy. It is quite obvious to me and, I am sure, to most members of this House that this is no longer an adequate approach to the problems that confront the economies of the western world. When one sees the Statistics Canada figures released last week, which show that we have in excess of 1.2 million people unemployed, it is even more obvious that the approach we have taken up to now is no longer an appropriate approach to get Ontario and Canada moving again.

I want to deal in more specific terms with a design for development and an economic strategy for the area of the province lying north of the French River. We have a good many articulate spokesmen from all parties representing constituencies south of the French River, so I will not dwell upon that aspect of economic development, I will try to confine my remarks to those areas—

**Mr. Nixon:** Tell us about the articulate spokesmen north of the French River.

**Mr. Stokes:** I am going to try to be one, at least on this occasion.

**Mr. Foulds:** The Liberal Party does not have any.



**Mr. Nixon:** Oh, yes we do.

**Mr. Stokes:** If I can get the attention of the minister and the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), I want to talk about ways in which we can foster new economic development associated with our primary resource sector in northern Ontario.

**8:10 p.m.**

**Mr. Nixon:** They should not be closing the high schools, that's for sure.

**Mr. Stokes:** As a matter of fact, I am glad the member for Brant-Oxford-Norfolk brought that up, because the largest single employer domiciled in a good many of those communities in northern Ontario is the Ministry of Education.

**Mr. Nixon:** If it's not that, it's Natural Resources or Northern Affairs.

**Mr. Stokes:** That is right. They are service centres and dormitory communities for resource industries, where the industry is outside the boundaries of a municipality, and those municipalities lack the ability to tax those industries that are outside the boundaries of established municipalities. Those municipalities act as bedroom or dormitory communities for the members of the work force who find employment elsewhere.

I want to speak in terms of what we do with the resource, how we dig it out of the ground, just concentrate it and, as soon as we get it in a small enough package, we ship it elsewhere. Sometimes we ship it to southern Ontario, the United States or an offshore jurisdiction in a form where there is very little value added. It is fashioned into manufactured products and shipped back to us again in a finished form where we pay sometimes 10, 50 or even 100 times its original value.

We have the wit, the wisdom and, I hope, the will to order our affairs in such a way that we can retain the value added in Ontario for the collective benefit of all the citizens in this province who collectively own the resource in the first place.

In terms of the forest industry, a good many of the plants in northern Ontario take trees, reduce them to fibre, ship them to our kraft mills, our sulphide mills, our sulphate mills and make the very crudest of wood pulp and linerboard out of them.

We have done that presumably to satisfy the edicts laid down by the late Colonel George Drew some time back in 1945, when he said, "Thou shalt not export any more wood pulp from Ontario to the United States without doing

some form of processing in northern Ontario." As we all know, that has happened. He said that in 1945, almost 37 years ago, and nothing of any substantial benefit to the people in northern Ontario has happened since.

With very few exceptions, we do not make any finished paper. We make a little bit of newsprint, which generally goes to the United States, but in terms of our ability to use the resources that have been given to this province, particularly in the boreal forest north of the French River, we have not been able to order our affairs in such a way that maximum benefit from the orderly exploitation of both our mineral and forestry wealth accrues to the people in Ontario.

We know that we cannot have factories dotting every highway or every railway in northern Ontario. But we do think that those of us who live in northern Ontario, who are responsible for creating a good share of the new wealth of this province and this country as a result of the exploitation of our resources, should benefit so that we will be in a position to have decent-sized communities that can support hospitals and high schools and—dare I mention it again?—attract doctors, dentists and other professional people so that we can try to effect the economies of scale that are absolutely essential to forming our communities in the north in order that we can have a decent standard of living and a decent lifestyle for the people who are responsible for creating that new wealth in northern Ontario.

We can do that in a number of ways. Not in a lot of grandiose ways where we talk about megaprojects such as we hear of every day in Ottawa, but by saying to companies such as Great Lakes Paper, Domtar, American Can, Kimberly-Clark and Abitibi-Price that while we as a government in Ontario, as a province, come to the assistance of these companies whenever they are in some difficulty, while we allow them to exploit our resources and extract a certain amount of economic rent from them for the privilege of exploiting those resources, making a profit for their shareholders and providing some employment for the residents of northern Ontario, we do not think it is too much to expect of those companies that they go one step further.

Instead of them extracting the base metals, the iron ore, all the mineral wealth we have in northern Ontario, reducing it to refined ore and then shipping it elsewhere to be fabricated—as I said earlier, in southern Ontario, the United



States and some of the offshore jurisdictions—we in this province owe it to ourselves to insist that these companies not only reduce to concentrates but also fashion products that provide jobs and a real, viable economic base somewhere near where the resource is extracted.

It is the same with the forest industry. For any members who may not be as familiar as some of us coming from northern Ontario are with the way in which a good many of those major licence holders I spoke of earlier operate, to a large extent the forest industry is looking for a particular species of tree designated for use in a particular end product.

We know that if somebody is in the business of making newsprint, he is looking for a black spruce with a long, tough fibre, because that is the kind of wood fibre that is used in the production of newsprint. If they are looking for sawlog material for the lumber industry, it requires a specific species of tree of a particular dimension that makes it profitable for them to run it through a sawmill to fashion two-by-fours and other dimensional lumber for a variety of uses.

**8:20 p.m.**

But when we look at a particular operation, we see that, for a variety of reasons, companies tend to ignore those species and tree sizes that are not particularly useful for their operation. They tend to high-grade because they can maximize production and profits by being much more selective in the way they harvest our forests. The end result in many of the operations I have visited on an ongoing basis is that a good deal of the available fibre is left behind because it is not absolutely critical to the company that happens to be exploiting a particular area or a particular forest that is under licence to it.

People from the Ministry of Industry and Trade, in concert with the Ministry of Natural Resources and the new Ministry of Tourism and Recreation, should be able to sit down with the companies that find it profitable to operate in northern Ontario, to order their affairs and the way they operate so that we could maximize the benefit of the exploitation of those forestry resources, putting to use a good deal more of the fibre that in many instances is allowed to overmature, become decadent, fall down or be left behind in this sometimes high-grade operation, to the detriment of the entire economy of this province.

I want to indicate in a very few specific terms how I think we are missing the boat. It is common knowledge that, if anything is being

made out of trees, it ends up in roll form, some form of paper, and cores must be used on the rollers to build the roll upon. They are made out of hardwood. Where do the cores come from? They are not made in northern Ontario. They are not made in Ontario at all. I am advised that the majority of them come from the hardwood forests in the United States.

We have lots of hardwood in Canada. As a matter of fact, the former Minister of Natural Resources and his predecessor, both northerners, whenever we asked them about better utilization of the total resources in northern Ontario, asked, "What are you talking about?" I said: "Birch and poplar. They are both hardwood species. We are using about 15 per cent of the volume in those two species that are available to us if we play our cards right and develop our markets right." They said: "Oh, those are the weed species. You can't make newsprint out of those." Granted, we cannot make newsprint out of them, but it does not mean we do not have the ingenuity at least to make the cores upon which we roll our paper. We import them from the United States. I ask, why?

I want to invite the new Minister of Industry and Trade, when he has an hour to go shopping with his wife on a Friday night or a Saturday, to visit his supermarket, a gift shop, a drugstore or almost any retail outlet in any average-size community in Ontario and take a look at the shelves to see the number of products that are made of wood.

**Mr. Nixon:** Wood?

**Mr. Stokes:** Wood; plain, ordinary wood.

Whether they be salad bowls, rolling pins or little corner shelves, literally hundreds of items are made totally out of wood and a bit of glue. I invite the minister to do that to draw his attention to the number of items on the shelves of the majority of retail outlets in Ontario. I further invite him to pick up an item, look at the label on the bottom and see where it comes from.

Where do they come from? We are saying, "We cannot be competitive because there is such a cheap labour force in places like South Korea, Taiwan, Japan and all of those other jurisdictions which find it profitable."

It is not that they grow wood within their own boundaries. Take a look at Japan and see the scarcity of the forest resources in that country, which has a population of 117 million people. They do not grow it in large measure within their own boundaries; they import it from some place else. One of those places is Canada. They



ship it all the way across the Pacific, fashion it into something that attracts a buyer, ship it all the way back again halfway across the world and sell it to the likes of the minister and myself in retail outlets all over Ontario and Canada.

Why, I ask him? With the setting up of this new ministry, the minister now has responsibility for the operations of the Ontario Development Corp., the Eastern Ontario Development Corp. and the Northern Ontario Development Corp. When one reads their brochures, they say: "Come and see us if you have an idea. Come and see us if you can create an enterprise that will create jobs. We will lend you the money at favourable rates of interest to foster economic development."

I want to tell the minister that on a number of occasions I have had small entrepreneurs in my riding come up with ideas, some of which I have mentioned this evening with regard to the maximum utilization of the resources we have in such abundance in this province. For a number of reasons, the whole system falls apart.

I want to invite the minister to read the reports that come out of ODC, EODC and NODC every month. I want him to look at the amount of money made available by those corporations to foster economic development and transfer entrepreneurial knowhow in northern Ontario, based on the resources that we have in such abundance. It does not happen very often.

**8:30 p.m.**

This minister and his colleagues are forever talking about the favourable economic climate that we have in Ontario. I am the first to admit that is the way it should be. We have a pretty good country, and most of the basic freedoms. There is opportunity for the entrepreneurial skills to get started but, for some reason, it does not happen, it does not get done.

I could think of another reason we should be paying more attention, not to the megaprojects but to all the small business enterprises that could be attracted to northern Ontario by the orderly and maximum utilization of the resources that we have in abundance. Last fall, during the estimates of the former Ministry of Industry and Tourism, I was invited by one of my colleagues to speak about tourism. That is in another emanation I will not dwell on, except to say there are a good many opportunities in the tourist industry in northern Ontario where we could further enhance the job opportunities in tourism, related directly to our fish, game and

wildlife resources in Ontario; but it very rarely happens.

There is one other area that I want to talk about. As I was leaving my office to come up here at eight o'clock, I was looking at the showcases in the east end of the building. Being a rock hound I quite often go to take a look at them. Tonight I was interested in looking at the little name tags to see where the rocks came from and whether it was iron ore, base metal or precious metal.

Most of the mines that produced those raw ore samples are long since gone. There are some samples from Marmora, some from Steep Rock and some from the old gold mining camps around Geraldton, where at one time or another there were 14 producing gold mines. So it goes right throughout Ontario.

It was not the minister's fault that the ore body ran out. It was not anybody's fault. The fact remains that for a finite resource such as the minerals we have in this province, we know that every day that mine operates we are closer to the day when we will have to walk away from that resource. It is finite and nonrenewable, as opposed to the resources we have in forestry or agriculture. We have the habit, in the way in which we order things, of saying, in the case of Steep Rock and the Atikokan scene that, when the ore body there ceases to be economical, we will allow the companies to walk away and leave the social and economic problems to the people who choose to stay behind. That does not have to happen, believe me.

Anybody who knows anything about the Steep Rock iron range, knows there is a mine not too many miles from Atikokan where Steep Rock and Caland Ore used to operate. We know there is a mine called Bending Lake that has a commercial ore body. We allow those companies to walk away. One of the companies that used to take the production in pelletized ore from Steep Rock Iron Mines has an interest in Bending Lake. That is Algoma Steel. Where is Algoma Steel getting the ore? Not from Ontario and not from Canada. It is getting it from Tilden Mines in the upper peninsula of Michigan.

My colleague the member for Sault Ste. Marie is here and he may take umbrage with what I am saying because it is probably a little cheaper for Algoma Steel to get its iron ore requirements from Michigan rather than to exploit Bending Lake outside of Atikokan, the Little Longlac property on which it has a 90-year option on Geraldton's doorstep, the Can-Fer property north of Nakina on which it has a



long-range option and one billion tons of relatively high grade iron ore in the Lake St. Joe area of northern Ontario.

One would wonder why this government, the federal government and anybody who cares a darn about the future of this province and this country could not prevail collectively and individually upon Algoma Steel of Sault Ste. Marie to buy Ontario ore. Is that too much to ask? Sure, we would be accused to being parochial and of being provincial, but surely if we are going to maximize the investment and industrial opportunities for the benefit of people in this province, that is not too much to ask of the second largest steel producer in Canada. That is not socialism. That just makes good, plain, ordinary common sense.

**8:40 p.m.**

When the minister is winding up at the completion of this debate, I would like him to comment on some of those observations.

I want to spend a few brief moments talking about another resource that we have in abundance in Ontario.

Having attended an international symposium on peat, those resources of which we have such abundance in this province, a number of ministers over there collaborated in taking a preliminary inventory of those resources, and, in terms of British thermal unit values, they are estimated to be the equivalent of 62 billion barrels of oil. That is more oil than there is in the far east; more oil than we will probably ever find in all of Canada. Yet, notwithstanding the fact that Finland, Ireland and, to some extent, Russia have shown they have the ability to exploit that resource in their jurisdictions, we, in this province, do not even have a peat policy.

We have a company right here in Toronto called Peat Resources of Ontario, of which the president, Leon LaPrairie, has been saying to the Ministry of Natural Resources, the Ministry of Energy, and I am sure the Minister of Industry and Trade Development (Mr. Walker) will be hearing from him, "Let us know what the government policy is for the development of peat in Ontario so that we can contribute to the energy self-sufficiency of this province and this country." It has not happened.

Those are some of the things that this minister can start bugging his colleagues about on that side of the House, in the way in which I personally have done on this side of the House.

Let me talk about another matter dealing with import replacement. The minister knows the extent to which, because of our geographic

location, because of the climatic conditions, we must import a good deal of our fresh produce for the major part of the year when it does not happen to be in season.

If this minister, in concert with the Minister of Agriculture and Food (Mr. Timbrell), and any other minister over there, of the 26 or 27, who cares a darn, we could replace, in large measure, our dependency on offshore or out-of-Canada produce like tomatoes, lettuce, all of those things we import for at least eight months of the year because of our inability to grow them locally.

With the new technology, and because of the success of the greenhouse industry, particularly in southern Ontario, and the coming into being of hydroponics, because we have so much biomass waste associated with the exploitation of our timber resources in northern Ontario, and because we have a new-found source of energy in peat, I am thoroughly convinced that the technology is there and the practicability is there for us to have as many greenhouses located in every city, town, village, hamlet and Indian reserve in Ontario as would be required to be self-sufficient in the kind of produce we import at such high prices during the off season.

There is nothing magical about it. I would like to take the minister to my basement where I have two small hydroponic units. They are about that size—

**Mr. G. I. Miller:** In northern Ontario?

**Mr. Stokes:** Right in my basement. I can produce tomatoes that are just as good, just as flavourful and as free from blemish as any field tomatoes grown in southern Ontario.

**Mr. Kerrio:** They do not glow in the dark.

**Mr. Stokes:** I have light; believe it or not, we actually have power in northern Ontario.

I can plant lettuce tonight, and have done it in my two little hydroponic units, and in three weeks I will be eating lettuce. It is a controlled condition. The technology is there. In a two-week trip I took to Japan last September, I visited one company that showed me 700 greenhouses which are under contract to various farmers who are growing fresh produce.

Why can we not do that here? We have the need. We have the markets. We have the waste energy. We have the technology. All we need is the will and the organization and a catalyst to get the show on the road. The minister could be that catalyst.

I want to make one final comment on the economic development, primarily in northern



Ontario, that I have been talking about. The minister will recall that over four years ago we set up an emanation called the Royal Commission on the Northern Environment. Headed by Mr. Justice Patrick Hartt, it was as a result of a confrontation we were having with Reed Paper at the time about the mercury pollution in the English-Wabigoon River system. It was about an application by that company to exploit the last remaining 19,000 square miles of boreal forest that were not under licence to one of the major companies that operates there.

It was a very sensitive issue for a variety of reasons which I will not bore the House with tonight. As a way of putting it on the backburner and giving people an opportunity to sort of cool off or to sit back and look at the ramifications of licensing that 19,000 square miles, this government in its wisdom set up the commission on the northern environment.

Mr. Justice Patrick Hartt worked on it for more than a year and, for a variety of reasons, he gave up on it. We have a new commissioner now, and have had for the last two and a half to three years. That commission on the northern environment was charged with the responsibility of reporting back to this government, and I hope this Legislature, on the direction economic development should take in northern Ontario to enhance social and economic conditions, having regard to environmental considerations that can play a very important role in the lifestyle of northerners particularly.

We have very fragile ecosystems, and we have native people with their traditional lifestyle. It was that commission's responsibility to report back to this government with a strategy that would allow for economic development, but in a way that would pay maximum attention to social and environmental conditions, particularly as they affect our first citizens living north of the 50th parallel.

**8:50 p.m.**

I want to report that we have spent about \$7 million on that study. The commission has yet to report one single, solitary thing. It has yet to provide any sense of direction in economic development for this government or any ministry of this government. It has become the single most expensive royal commission in the history of this province, and we have not heard a peep from it, not a peep. It talked about a road to Detour Lake one year after this government decided on the direction it was going to go with regard to the building of a transmission line, the

building of a highway into that gold ore property. It has become irrelevant.

We are deeply immersed in Design for Development and land use planning in northern Ontario. Where is the Royal Commission on the Northern Environment that was supposed to advise us on the direction we should be going with regard to social and economic development? Not a peep. The commission on the northern environment has demonstrated its inability to come up with an economic strategy. Design for Development said 12 years ago that program was going to enhance job opportunities in the tourist industry, the forest industry, and the mining industry. We have lost jobs in all three.

I wonder if every 10 years or so this government tries to create the illusion it is doing something useful, something meaningful, something productive, something worthwhile, just by changing the administrative structure. I wonder if that is the ploy. If people wanted to be uncharitable they might say that. I am not going to say it, but if we are a little bit jaundiced, a little bit cynical over here, we have cause to be for the reasons I have tried to articulate tonight.

I will be the happiest guy in this Legislature, and the happiest guy in northern Ontario, if this new Minister of Industry and Trade can prove me wrong by taking some of the advice I have tried to give him tonight and proving it is not just some administrative gerrymandering, to create the illusion that by change he is doing something useful and worthwhile.

I think this minister has the knowledge. I do not know whether he will get the kind of support from his government to do the things that must be done, but I hope he will. If he demonstrates to me that is what he is about, he will get my support.

**Mr. G. I. Miller:** Mr. Speaker, it is a pleasure for me to rise and speak on the establishment of the new Ministry of Industry and Trade through Bill 38. I would like to just follow up on the comments the member for Lake Nipigon has made, indicating that there are a lot of good new ideas.

I would like to point out that as far as northern Ontario is concerned, one of our candidates in the past leadership race, Richard Thomas, has a lot of good ideas and potential to develop the north and protect our ideas and our energy future by developing the peat industry and developing fuel alcohol for automobiles. Again, I think he stood behind us. I would hope the minister might take those ideas into



consideration in utilizing and developing the north because we do have a lot of potential there.

As the member for Lake Nipigon indicated, northern Ontario is noted for its wood products and its wood potential. I would like to point out to the minister that southern Ontario also has a great potential in that field. I was pleased to note that the minister was able to come to our riding of Haldimand-Norfolk today. He was received well by the region of Haldimand-Norfolk and had the opportunity of opening a new industrial park at Delhi, along with turning the sod for the new administration building for the region. It was certainly a beautiful day.

The only thing that really concerns me is the fact that I left at 3:45 p.m. this afternoon and I did not make it for the vote, but the minister did. That irks me a little bit. As a matter of fact I was mad as H, because I got trapped at Bronte. I think it was put on by the Minister of Transportation and Communications (Mr. Snow). They narrowed that down to two lanes and it said, "Four kilometres to the turnoff at Highway 25." I kid the members not, it was 4:45 p.m. and at 5:25 p.m. I still was not at Highway 25. How did the minister get here before 5:45 p.m. when he did not leave until 4:30 p.m.? I want an explanation.

It must have been the fact that he had a helicopter sitting there. When he waved his wings as he went over me sitting on the Queen Elizabeth Way at Bronte, I was as mad as H. I do not know if the members realize what that means or not. I was so mad when I got here; the doors were locked, the vote had been taken, but I was glad to know my whip indicated that 30 members were in the Legislature and they did not really miss me. The member for Renfrew (Mr. Conway) is in China, the member for Grey-Bruce (Mr. Sargent) had another engagement and they really did not miss me. But I was mad as H. I was really put out.

**Mr. Stokes:** Explain.

**Hon. Mr. Walker:** On a point of privilege, Mr. Speaker: The member well knows the very last thing I said in my speech was that I would look after his getting back if only he would trust me. I was prepared to see that he got back in appropriate time. He said, "No, I have a car sitting out there."

**Mr. G. I. Miller:** I am an independent guy. I would rather fight than switch. I know the minister did indicate that. On the other hand, I do have to return to my riding and I needed that

car. If I could have been assured that the helicopter was available in the morning or at 10:30 p.m., I would have taken up the offer. Considering the fact that jet is down in Texas—

**Hon. Mr. Walker:** You needed only to ask me.

**9 p.m.**

**Mr. G. I. Miller:** That jet is down in Texas at a cost of what—\$10,000?

**An hon. member:** A million dollars.

**Mr. G. I. Miller:** A million? My goodness! And what is the reason it is down in Texas?

**Hon. Mr. Walker:** I think it is being fitted out for hospital beds.

**Mr. G. I. Miller:** The bar or the hospital beds?

Anyway, we were pleased to have the new Minister of Industry and Trade come to our riding of Haldimand-Norfolk today. I think he took a tour of the industrial park at Stelco. He also stopped in Simcoe and Delhi, and we were happy to have the minister take a look at what the potential is in that part of Ontario. It is a great area. He really did not see it all.

The amazing thing is that the Minister of Industry and Trade found his wife at Canfield in Haldimand county. I think that is unique, because it is a great area. I know she has given the minister a lot of support and probably will in the future. Her name, as a matter of fact, is Hedley. I always thought those Hedleys were Liberals, but I am not sure. Most of them are. I do not know how they got turned around like that.

But I am getting off the subject just a little bit. Going back to May 1981, when the current Minister of Health (Mr. Grossman) was the Minister of Industry and Tourism, the region asked for some financial assistance to develop the industrial park at Delhi but was turned down because it did not meet the criteria. As the minister found out today, 20 per cent of that park is already sold. It has been developed by the township of Delhi on its own without any incentive, and I think we have to be proud of—

**Hon. Mr. Walker:** I am impressed when I find people doing things without government assistance.

**Mr. G. I. Miller:** I agree with you, Mr. Minister.

**Mr. Roy:** Then why is the minister supporting a government that is prepared to buy Suncor?

**Hon. Mr. Walker:** That is not assistance.

**Mr. G. I. Miller:** It just indicates to me, Mr. Speaker, that after 40 years of one particular government I really think we need some new



ideas, a new approach. Rather than give out gifts we should get a return on our investment.

I think it came up very clearly again today as we looked at the unveiling or the sod-turning ceremony at the new administration building for the region of Haldimand-Norfolk. They are providing 11 per cent interest for that particular development on behalf of the region, which is fine. But as I indicated to the Minister of Municipal Affairs and Housing (Mr. Bennett) this afternoon, if that same 11 per cent were made available to the housing development people in the area I am sure they could move those houses. We do have many lots available. They have the water and sewers there, and we could get them off the ground.

I am straying a little bit from the bill.

**Hon. Mr. Walker:** But the local member does not like Townsend.

**Mr. G. I. Miller:** I did not say Townsend was not beneficial, but I am still concerned that we have a subdivision of 50 houses in Jarvis and we have not sold a house in four years.

**Hon. Mr. Walker:** I was referring to the member for Brant-Oxford-Norfolk (Mr. Nixon).

**Mr. G. I. Miller:** Do not bother my colleague. He was busy today.

**Hon. Mr. Walker:** He represented the town that we were in at the moment.

**Mr. G. I. Miller:** We cannot be in two places at once.

Mr. Speaker, I would like to bring to the attention of the minister—and we had the opportunity again this afternoon when he was in the region—that the town of Dunnville is in dire straits. They have a local 25 per cent unemployment rate.

**Hon. Mr. Walker:** I met with the mayor.

**Mr. G. I. Miller:** I agree. I just wanted to bring it to your attention again and get it on the record.

**Hon. Mr. Walker:** You asked me to. I met with him and he was happy with my observations.

**Mr. G. I. Miller:** I appreciate that. I just want to get on the record in the Legislature this evening that we do have a problem in Dunnville with unemployment running at 25 per cent. We have a lot of potential in that particular area, and I would hope we can improve on that.

There is a lot of potential in that area. We have an old plant, Essex International, which provided wiring harness for the automobile trade and which closed down two years ago. We

discussed it with the former minister and at the federal level and indicated there was a need to use that vacant plant. I hope through this ministry we can utilize that facility to provide the jobs that are so badly needed in that particular area.

**Hon. Mr. Walker:** I told them if we could help, we would.

**Mr. G. I. Miller:** Thank you.

I also think we have a lot of potential in Dunnville because of the Grand River, where they are trying to develop port facilities at the Grand River which would be suitable for the seaway system. It is proposed that this be developed by the Misener Management Ltd. and I would hope the minister would see fit to co-operate in that development.

Today the minister visited Stelco, where he had the opportunity to make a tour of that plant, even though it was a brief one. I might add that on February 9, 1982, they completed production of their first million tons of steel, which was cast on continuous slabs. I think he saw that the Lake Erie development of Stelco is a major development for the future of the steel industry in Ontario. It is a most modern plant and will make us very competitive.

They are now producing coke and will reach 522,000 tons per year, based on a 17-hour coking cycle. In addition, progress is being made with the new strip mill and by the second quarter of 1983 they will have it completed and in operation.

In the industrial park at Stelco there are now eight firms operating, so one can see we are developing that part of Ontario as an industrial area. It could very well be the industrial heartland of southern Ontario and of Canada in the next 25 to 50 years. The town of Townsend is going to be a great area and will provide a lot of jobs.

We have had calls in the last few weeks indicating that a lot of offshore help is being hired at that industrial park. I think that is something we should be concerned about at a time when we have so much unemployment in the area. The Minister of Industry and Trade should be concerned about it also. With unemployment running at approximately 10 per cent, we should express our concern, through his ministry, to the Ministry of Colleges and Universities, that we make sure our young people have the opportunity for new jobs, rather than bringing people from offshore.

There are a couple of other things I would like to bring to the minister's attention that

would provide jobs and work opportunities. Straza Tire has a pile of 10 million tires. We did not have a look at those today. They are not very far from where the minister was, just back of the Townsend town site. They are proposing to recycle these tires to be used in asphalt or in a form of recycling for new rubber.

**9:10 p.m.**

**Mr. Kerrio:** Is that what they do with old Tories?

**Mr. G. I. Miller:** After 40 years we should recycle those Conservatives. It has not happened. Can we recycle them after 40 years? That goes back to Mitch Hepburn's day, does it not? Or was that Harry Nixon? I guess Harry Nixon was our last Premier.

**Mr. Nixon:** Good man.

**Mr. G. I. Miller:** Good man is right. There is a chip off the old block here who is really carrying on from where he left off.

I think these people have made a proposal to the minister to recycle these tires and they have the facilities to pick up those tires, recycle them and make them into a useful product. I think it is worthy of the support of the Ministry of Industry and Trade. As a matter of fact, we have had communications and I would hope the minister would take that into consideration.

The member for Lake Nipigon indicated he thinks that perhaps northern Ontario controls all the wood products, but I would like to point out to the minister that southern Ontario, particularly Norfolk county, has a lot of potential too.

**Mr. Stokes:** The climate is better; the soil is better.

**Mr. G. I. Miller:** Right. As the member for Lake Nipigon has indicated, and he makes a very true statement, we have the heat units, and we have good land. It is class 5 land. It grows things quickly. White pine will regenerate quickly. As a matter of fact, I do not know if I can recall his name or not, it was an old chap who runs a greenhouse in Simcoe who started replanting in the 1930s. They are harvesting a crop of white pine at this present time. One can see them going down the road. They can cut them for hydro poles, full length, full grown trees. He was credited with saving the class 5 land in Norfolk county for what it is today as class 1 tobacco land, class 1 peanut land and class 1 orchards. It is a fantastic area. We can grow anything down there.

I guess what I am really getting around to is the fact that Abbott and Townsend, who oper-

ate a sawmill at Langton, have made a pitch to the Minister of Industry and Trade and the Minister of Energy (Mr. Welch) saying they would like to pre-farm our woodlots.

Pre-farming means coming in with a machine and taking out the growths. If there are three growths coming out of one clump they trim off two, leave the good one standing and in 75 or 80 years first-class timber is left. They take those trees and put them through a chipper and they use that chip. They would like to use it for heating greenhouses and in the steel mills. There is a tremendous market for it and in southern Ontario there is a tremendous potential.

I would like to see the minister take this into consideration to encourage and improve our woodlots so that we have first-class timber to saw 75 years from now.

This particular sawmill sawed up to three million feet in 1981. They can chip if they get the markets for it. They have a project planned to supply those chips to a local greenhouse at Courtland so they can heat the greenhouse by using those chips. I think there is a combination here that the minister should and could take into consideration.

A further thing is that the Ministry of Industry and Trade—and this has not happened in Ontario—should take the lead in selling farm products. Agriculture, as I pointed out to the minister a couple of times today, is the engine that makes the total economy in Ontario and Canada tick. I will give a couple of examples. We have come from 170 million tons of corn for export in 1980 to 750 million tons in 1981. That is an increase of 300 per cent, and we are marketing it on the world market.

The Minister of Industry and Trade could, when he is going around the world—they have offices set up in many countries, as he knows better than I—tie into our program and boost the sale of agricultural products through his ministry. I have felt very strongly about this in the past, and I am glad to have the opportunity to make this presentation to the minister tonight. I think we have a duplication of services. It is his responsibility. They just slough it off as belonging to one ministry—

**Mr. Van Horne:** The short end of the stick.

**Mr. G. I. Miller:** The short end of the stick, but it is the engine that makes our economy go. When agriculture is down, and it has been down for two years now, the whole economy gets into trouble. That is really what is happening at the present time. One cannot eat the steel from the



steel mills, one cannot eat the words of the Minister of Education (Miss Stephenson), who is coming in here now. One can only eat the produce from the soil.

As the minister found out today, he was in one of the best sections of Ontario with the most versatility in agriculture. We can produce asparagus, which is just coming out of the ground; we can produce tomatoes, apples, cherries, strawberries—

**Mr. Stokes:** Tobacco.

**Mr. G. I. Miller:** I don't know that tobacco is a food.

**An hon. member:** Peanuts.

**Mr. G. I. Miller:** Peanuts—there has to be lots more—potatoes, lettuce, carrots, beets. Those are all the naturals.

**The Deputy Speaker:** We are close to the bill, I am sure.

**Mr. G. I. Miller:** The minister today has seen the Garden of Eden of Canada, of Ontario and of Langton. It is the Garden of Eden of Canada and can grow anything.

The minister was in Delhi, in tobacco country. Twenty-five miles away is Port Rowan, the heartland of tomatoes. The Mennonites have come in there in the last 20 years and developed the tomato cash crop farming, soybeans and corn. It would be a good idea to try to put some processing facilities into Port Rowan, because as well as processing what they grow there they need the job opportunities. It is a depressed area from the point of view of job opportunities, but we have a tremendous number of natural tourist attractions with Long Point and the parks. I think agriculture is the basis—

**Mr. Di Santo:** The private sector or public sector?

**Mr. G. I. Miller:** The private sector.

**Mr. Nixon:** Odoardo wants the government to take over the farms.

**The Deputy Speaker:** The member for Brant-Oxford-Norfolk is not in his chair. Order.

**Mr. G. I. Miller:** Am I speaking to Odoardo or am I speaking to the Speaker? I am not a Socialist at heart.

**Mr. Kerrio:** Neither is Odoardo. He can come over here.

9:20 p.m.

**Mr. G. I. Miller:** He is welcome here any time. We would love it.

There is nothing like the individual getting a little incentive from the government, being

given that assistance, because I do not think there are many labourers who would work 24 hours a day—that is a little extreme, is it not?

**Mr. Nixon:** Or 25 hours.

**Mr. G. I. Miller:** Maybe 16 or 18 hours, when it is corn planting time or seeding or harvest time.

**Mr. Nixon:** Right now I hope Dorothy is out in the field.

**Mr. G. I. Miller:** The member for Brant-Oxford-Norfolk is misleading us a little bit. He is not that tough.

**Mr. Philip:** She is a lot more outstanding in her field than you are.

**The Deputy Speaker:** Order.

**Mr. G. I. Miller:** I think that is where the member was yesterday, planting his corn.

**The Deputy Speaker:** Is that why he is so quiet?

**Hon. Mr. Walker:** On a point of order, Mr. Speaker—

**The Deputy Speaker:** A point of order, thank goodness.

**Hon. Mr. Walker:** Mr. Speaker, we are the enemy over here, not them.

**The Deputy Speaker:** Now, back to the bill. We are straying a little bit. Let us get the show under way.

**Mr. G. I. Miller:** Okay. I want to make it clear to the minister that if he really wanted to do the job on behalf of trade he could take on the responsibility of selling farm products in the export market, which is our biggest balance of trade. I think of the sale of wheat to China, one of the biggest sales we have ever made; we have the potential here in Ontario—

**Hon. Miss Stephenson:** Not to sell to China.

**Mr. G. I. Miller:** What is the Minister of Education saying?

**Hon. Miss Stephenson:** Not to grow wheat to sell to China.

**Mr. Nixon:** What have you got against the Chinese? Didn't you eat when you were over there?

**Hon. Miss Stephenson:** We do not have the potential in Ontario to grow wheat to sell to China.

**Mr. G. I. Miller:** We certainly do. I would argue with the Minister of Education. What is she talking about? She knows her field when it comes to doctoring, and I am not going to argue with her about education, but as far as growing

wheat in Ontario is concerned we have a lot of potential that we have not even scratched yet. If the government would give us the incentive, we would grow it.

This year is a good example. Our production is down 50 per cent. I think that is ridiculous. When a government comes along and buys good farm land like South Cayuga, Pickering, Townsend and Edwardsburgh and takes it out of ownership, I do not know who the Socialists are. I really think they are over on the government side when they start buying 25 per cent of oil companies. And, as the leader of this party has indicated, they do not even do a good job of buying.

**Mr. Philip:** At least we wouldn't sell it when the price is down, which is what you would like to do.

**Mr. G. I. Miller:** Who said we would sell it?

**Mr. Philip:** You did. We are not dumb enough to sell when the market is down. You are the only guys who would play the stock market by buying at \$10 and selling at \$2.

**Mr. Di Santo:** Mr. Speaker, on a point of order—

**Hon. Miss Stephenson:** Does the member for Ottawa East garden? I do.

**The Deputy Minister:** We have a point of order here.

**Mr. Di Santo:** Mr. Speaker, I was most interested in the lovely speech made by the member for Haldimand-Norfolk. I think the interjections are interrupting him at a very crucial moment, when he is telling the minister what the new approach should be to southwestern Ontario.

**The Deputy Speaker:** That is a valid point of order.

**Mr. G. I. Miller:** I do not think that was a very good point of order, Mr. Speaker.

I just want to make it clear to the Minister of Education that we can grow more wheat in Ontario than she says we cannot. She can run her ministry, but I tell her we can produce more wheat tomorrow than she can.

**Mr. Roy:** She says she has a garden, but I don't believe her.

**Mr. G. I. Miller:** All we have to do is have some goals and the farmers will produce it, but the Ministry of Industry and Trade should be able to give us a little hand to sell it. That is what I am saying. It is the responsibility of that particular ministry to get into that field. If it was

a Liberal government sitting over there, I am sure we could do a much better job.

Again, after today I am sure that three years from now, with our leader coming on the way he is—I listen carefully as I go out into my riding and he has been accepted very well—I think the Conservative government should be concerned.

I did not notice the Minister of Municipal Affairs and Housing come in. When did he come in? Has he been here for a while?

I want to thank that minister for coming down to the riding of Haldimand-Norfolk today to turn the sod. He had a nice shiny shovel. I do not know if he is a farmer at heart or not, but I do not like the way he took hold of the handle, however he got the sod turned upside down. We got the project on the way and I think we are going to be proud of it in the years ahead. It is going to be beneficial to the area. I hate to admit that but I really think it is.

I want to make sure the minister is aware that there are a lot of other subdivisions that do have the water, the sewerage and could be utilized but he is not utilizing that. He is giving 11 per cent interest to the region of Haldimand-Norfolk to build an administration building. I think the same percentage should be given to the developers to get those guys off the hook and get those houses on the market so that our young people can have a home of their own and a part of the action.

In summing up, I would like to mention again the three areas that we have to look at. One is our industrial parks around Ontario. An example that the minister saw today is 600 acres in Haldimand county. Instead of looking for new areas we should develop those. We have the town of Townsend which can provide housing. We have subdivisions in Jarvis, Port Dover, Simcoe, Caledonia and Dunnville. I think we have to utilize those before we start looking for new fields.

We have to provide jobs so that the young people can buy those homes. We do have the potential to do that with Stelco and the industrial park and the land there. There are other areas in Ontario—Parry Sound for instance, which has 900 acres of industrial land. We had the opportunity of looking at that three or four years ago when there were only one or two industries there. It had beautiful service. It had water and sewerage there. I do not know why we do not try to harness that.

It is the responsibility of the minister to make sure that those jobs are created and that land is utilized. I know he is trying but I think we, as the



official opposition, are trying to prod him to utilize that resource that we have in Ontario, to utilize the land that we have in Ontario so that we can get a better return on our investment and the people can pay their taxes, which are so badly needed, provide the employment and give our young people a share of the action.

That is really what it is all about so far as the member for Haldimand-Norfolk is concerned, that our young people get a handle on the action so we can resolve a lot of problems. With those comments, I would like to bring those matters to the attention of the minister and, hopefully, he will act on them.

**Mr. Di Santo:** Mr. Speaker, I was most pleased to listen to the member for Haldimand-Norfolk. He pointed out to the Minister of Industry and Trade a very serious problem, the problem that we are facing in Ontario in the industrial sector; that is, the total lack of planning on the part of the government.

That is what my friend said to the minister. We have resources and land, but we have no planning at all. I think this is consistent with the philosophy of the minister, who in personal terms is a very pleasant person but politically and economically is probably the most dogmatic person on the other side of the House. Perhaps he is even more dogmatic than the Minister of Education, who is very difficult to beat when it comes to taking extreme positions in an area such as the one today when we were discussing the problem of teaching third languages in the schools.

**9:30 p.m.**

The minister has been consistent since he was elected to the House. In 1975, when he went down to defeat in London, we were faced with an economic situation very similar to that of today. At that time the minister thought the government had lost because it had moved too far to the left. I suppose the minister did not understand then, as he still does not understand, that the world is changing. The reality is changing. We are no longer in the 18th century, and Adam Smith has long passed away. We are now going towards the year 2000. We are faced with a totally different economic reality around us.

The minister wants to apply to today's situation the same prescriptions that were applied in the last century to the first industrial revolution. He will be disappointed, but what is even more serious and more pathetic is that as a result of the lack of action by this government, the people of Ontario will suffer.

We know today we are faced with a very serious and critical situation. Our economy is going through the worst possible crisis. But it is not a cyclical crisis like those of the past. We have seen many crises in the past decade. We are not in a sluggish situation that most likely will be overcome in the short term, with a new boom emerging again. We are faced with a very serious structural crisis in the industry that is the base of our economic system, namely, the manufacturing sector.

Every analyst agrees that the crisis in the automobile industry in the manufacturing sector today is so serious that it threatens the survival of this country as an industrialized nation. It was already so in 1978 when the Science Council of Canada published a very interesting analysis, *The Weakest Link*, in which it explained chapter and verse the situation of our economy and our manufacturing sector and the future we were faced with. Despite the analysis, despite the countless reports we have been faced with, this government has never reacted or, rather, it has reacted with ad hoc, patch-up solutions.

Last year, before the elections, everybody was talking about the Board of Industrial Leadership and Development program: "With the BILD program, we will tackle the problems of our industry. We will create a focus for the industrial development of Ontario." After one year, what are we faced with? Plant shutdowns and layoffs, with more layoffs to come.

Interjection.

**Mr. Speaker:** Just ignore the interjections and continue, please.

**Mr. Di Santo:** Mr. Speaker, if the minister interjects, I would rather understand what he says because, if it is relevant, I would like to reply.

The BILD program was part of an electoral ploy. We understand that. It was part of the triumphant return to power of the Tories. To go from that to talking about creating the basics for restructuring industry in Ontario, there is an immense gulf that not even the rhetoric of the minister can fill.

This government is so inadequate in understanding what is happening to the economy of this province that if we consider for a moment the statement made by the minister when he introduced this bill creating the Ministry of Industry and Trade, which is one of the key ministries in the economic field, it is at least shallow and absolutely irrelevant for the future



action of the government vis-à-vis the problems we are faced with.

I wonder whether the minister, having said it is not the government's role to create jobs, can ever explain in simple terms what that really means. He does not understand that to create jobs today does not mean physically to take a person and give him a job to do, but to create what is called the climate for business to prosper. That is the way to create jobs.

**Hon. Mr. Walker:** You are absolutely right.

**Mr. Di Santo:** Of course I am correct. I am always correct.

**Hon. Mr. Walker:** This is the first time you have been supporting the Tory party.

**Hon. Miss Stephenson:** I might question that.

**Mr. Speaker:** Order. The member for Downsview will continue, please.

**Mr. Di Santo:** Thank you, Mr. Speaker. You will certainly notice that the Minister of Education took my statement seriously, because that is the way she speaks. I do not have her absolute certainty; I said I am right, but with a sense of humour.

**Hon. Miss Stephenson:** I said I might question that.

**Mr. McClellan:** The Minister of Education is infallible.

**Mr. Stokes:** The member for Downsview was only wrong once, and on that occasion he thought he was wrong and he wasn't.

**Hon. Miss Stephenson:** He wouldn't know the difference

**Mr. Di Santo:** The Minister of Industry and Trade says the role of the government is to continue to create a healthy environment for the private sector. I do not think anyone disputes that. That is a gratuitous statement, because when the members speak for the government, they speak to their parochial and closed-minded constituency.

It is very effective to speak to a service club in London about the beauty of the private sector and how the enemies are at the door, and about how the Socialist hordes are threatening the health of the private sector, even though it has been noticed that with his party's cynical and pragmatic approach, the Tories have been able to do what not even the old Socialists would do in the wrong way, such as in the case of Suncor. The minister, of course, has to resort to rhetoric and say that they are for the private sector and

will create healthy conditions for the private sector to develop.

**9:40 p.m.**

What is the program of this ministry? The minister says the role of the ministry is the expansion of trade, encouraging investment opportunities and strengthening the competitiveness of the Ontario industrial base. That is it. We are faced with a major crisis in the automobile industry but the minister wants to do nothing in that area.

We have a \$5-billion deficit in the auto parts industry. In his own home town there are people who have been laid off, but the minister does not want to do anything in that area. We have branch plants that have been closed down all over Ontario, but the minister does not intend to do anything there either.

The minister makes only pious assertions that the ministry will encourage investment opportunities. What does that mean? It is almost irresponsible in the present situation, where we have 575,000 unemployed, to come in with a new ministry, supposedly aimed at strengthening the industrial sector of the province, with no new ideas at all.

There are the usual statements about the development of technology and small business, such as that small business creates 40 per cent of the jobs in the province; everybody knows that—

**Mr. Kerrio:** It is more than 40 per cent.

**Mr. Di Santo:** I thank the member for Niagara Falls, but I am quoting the statement made by the Minister of Industry and Trade. He said it was 40 per cent.

We know that small business creates 40 per cent of the jobs. What the minister does not say is that bankruptcies among small business went up by 37 per cent last year thanks to the policies of this government, high interest rates and this government's lack of fiscal support for so many years.

It is easy to go around the province talking to groups of small businessmen, who are for the most part uninformed, to tell them that if things are tough, it is because of the people sitting here who are fighting against free enterprise. But when we come to where the real responsibility lies, all of us know that Tories have been the government for 40 years. If we do not have healthy policies for small business in Ontario, it is the responsibility of the government.

Mr. Speaker, you come from Peterborough, a city which in the past few years has witnessed a



serious decline in the manufacturing sector. How many of your constituents came to you asking if you could help them to get a grant or a loan from the Ontario Development Corp.? From my limited experience, I know that those who go to ODC do not find a friendly ear or someone there to help them. They are subjected to third-degree questioning. If they go once, they will not return.

We know that the Ontario Development Corp. is not even a corporation to help small businesses but is a bank of last resort. This government, unlike governments all over the world, even in South Korea and Taiwan, does not have a policy of seriously and in concrete terms encouraging people who want to set up a small business; or if they have a small business and want to develop it, they do not have a real policy of incentives. They have this bank of last resort, which is, as I said, out of bounds especially to those who are not recommended by their protectors in the Conservative Party. If that is convenient in the short run for political or electoral reasons, it is certainly detrimental to the economy of this province.

For many years, we in the New Democratic Party have been concerned with small business because we believe that in the economy of a modern industrialized nation, small business plays a very important role. According to the Canadian Federation of Independent Business, small businesses in Canada have created 86 per cent of all the jobs. Even in the United States, in a study done by Senator Kennedy and a Senate committee, it came out very clearly that large corporations created an incredibly smaller number of jobs than small businesses.

We believe that small business is crucial in the life and the economy of a modern nation, and we think it should be encouraged. But this government is not doing anything about interest rates. Every day we see this government passing the buck to the federal government because they always think in parochial, concrete and electoral terms. They want to protect themselves and insulate themselves from the rage of the voters. That is why it is very expedient for them to attack the federal government and accuse them of not doing anything. But we know very well that if the provincial government intended to help small business with interest rates, they could set policies that are aimed at doing so.

The objection the government would raise, and it was raised by some people in the media the other day when the leader of my party

presented our prebudget position, would be that if we gave money to small businesses, if we invested in the automobile industry and in the food industry, then the deficit of the province would double.

That is pure nonsense. We know very well—and the people on the government benches, the ministers, probably do not know, but the boys in the back room certainly know—that there is a basic difference between nonproductive spending and productive investment. They probably made a colossal mistake when they bought Suncor. I do not know whether they were ill-advised or whether they made a mistaken value judgement, but they certainly know that when they bought Suncor and spent \$650 million they had to borrow the money, and, of course, in the books this shows as a deficit. But that is an investment decision; it is not the pure cost, and for them to hide themselves behind the excuse of the doubling of the deficit is pure nonsense.

If we look at the statistics, and even if we look at the present deficits in Ontario and in Canada, we will see that Canada has one of the lowest deficits in the world. In fact, from the latest statistics of the Organization for Economic Co-operation and Development, it becomes very clear that while Canada has 0.2 per cent deficit of the gross national product, the United States have 0.17 per cent deficit of the gross national product.

**9:50 p.m.**

If we were to increase our deficit in unproductive spending, then I could concur with the government, but we know very well if we are talking of a policy in support of small business, we are talking in terms of investment, of infusing money in a sector that will produce revenue in return—revenues not only for the government but in incomes and wealth that will become part of the gross provincial product. We do not make any apology for having made that decision because we do think that is the only way.

The Minister of Industry and Trade is a latecomer to Reaganomics, but he should understand that south of the border Reagan and his advisers are much smarter than this government. In fact, they are revising their supply-side policy, because in the last year and five months it has failed so blatantly that now they are turning by 180 degrees.

**Mr. Philip:** That is because they will be turfed



out in the fall whereas these guys have another three years to wait.

**Mr. Di Santo:** My friend the member for Etobicoke says they have three more years to wait and that is true.

It is also true that the problems we are facing in Ontario are not cyclical problems but structural problems. It is the structure of our industries which has been eroded to the point that if we do not take immediate measures, we will not be in a position to reverse the situation and it would be very unfortunate if we ended up, as the Science Council of Canada said, as an underdeveloped country.

This is not a totally unreal projection of a future that we cannot foresee, because there are countries that went through exactly the same pattern as we are going through.

If we look at Argentina, which is not one of the most popular countries at this time, in the first 30 years of this century it was certainly one of the most advanced countries in the world. What happened in Argentina and in other countries in South America was that they chose the same pattern: exploitation of the natural resources, export of the natural resources and imported manufactured goods.

Where are they now? They are among the most underdeveloped, the poorest countries in the world. Certainly we do not want that to happen to Ontario and I am sure the government does not want it to happen to Ontario. The fact is, though, the government does not understand the plight in which we find ourselves and keeps insisting on various policies that are bringing more and more problems to the people of Ontario.

Last year in Canada we lost 235,000 jobs in the manufacturing sector during the few months from August to December. I wonder how many of those jobs were lost here in Ontario. Many of those were lost here in Ontario because Ontario is the hub of the manufacturing sector in Canada. One would have expected that a government faced with this situation would try to implement some policies to reverse the situation. There is nothing at all.

We in the New Democratic Party have been speaking about this problem year after year. It is not a position we take as a party. It is not a partisan position even though the Tories like to go to their audiences and blame us for all that is wrong in the world. I suppose the member for Brantford (Mr. Gillies) tells his constituents it is because of the New Democratic Party that Massey-Ferguson and White are in trouble.

Just last week, the Conference Board of Canada made probably the 100th analysis of Canada's economic situation and made projections for next year. It said that for the third year, Ontario will be the last province in industrial growth in Canada. It is the third year this province is growing more slowly in the manufacturing sector than any other province. Next year the growth will actually be negative, which means our industrial potential will produce less than in 1981.

The minister is giving us the old prediction, "Let us leave it with the price tag, and everything will be okay." Mr. Speaker, you know better than I that we are going through a very deep and serious recession, probably the most serious since you were first elected, but probably even more serious than—

**Mr. Samis:** There have been some big layoffs; Outboard Marine.

**Mr. Di Santo:** My colleague the member for Cornwall reminds me that, when you were elected in 1971, your own riding was a flourishing one; Outboard Marine—

**Mr. Speaker:** Order. I have to ask you not to direct your remarks to my riding or to me personally.

**Mr. Di Santo:** Thank you for calling that to my attention, Mr. Speaker. I did not mean to refer to your riding. I said that like the riding of Peterborough, many other ridings were really flourishing.

**Mr. Speaker:** They still are, I can assure you.

**Mr. Di Santo:** The economy of Ontario was really flourishing because there was a boom in the province. Now we are faced with a very deep and serious recession.

Which nations in the world are overcoming the recession? Apart from Japan, which is probably the most vital economy in the western world, the only other nation which is overcoming the recession is France, where there is a Socialist government which is an alternative to the Tories. It is the only nation where the recession is being overcome.

10 p.m.

**Mr. Kerrio:** Is that a Socialist government in Japan?

**Mr. Di Santo:** In a minute I will come to the member for Niagara Falls because I want to explain to him that one of the provisions of Bill 38 is that we relax the Foreign Investment Review Agency regulations. I want to tell the honourable member who interjected—I will not



name him—that Japan has one the best performance records in exports, and not only in the export of cars.

The predecessor of the present Minister of Industry and Trade, the then Minister of Industry and Tourism (Mr. Grossman), went to Japan. He must have noticed—and perhaps the minister can ask him—that although it is not a Socialist government, it has a public presence in the economy to the point that a great deal of export is done through export corporations which are publicly supported.

It is something the minister should perhaps consider, because I do not know what role the government will have in the expansion of trade. If he looks at Japan, apart from the productivity and efficiency of the industry, one of the factors that makes that economy so vital and vibrant—not the vibrant centre that the leader of the Liberal Party was talking about, but the vibrant economy—is the very strong public support for exports.

I came to talk about the role of the government because, as I said, in his statement the minister made the ritual reference to the small business and the virtues of the small business, a factor that this government has neglected for so many years. One may ask why it is that so many small businessmen do not see that they do not have a friendly government. If they have flourished it has been because of the general conditions of the economy, not because they have had a responsible government that was providing them with policies adequate for them to develop and flourish. I find that hard to understand myself.

If I were a small businessman and I were treated the way this government treats the small businessman fiscally, vis-à-vis incentives or vis-à-vis legislation to help him sell his products on the domestic market or outside Canada, I would be very resentful of this government. But that does not prevent the minister from saying in the publications of the small businessmen, "Business has a friend in me."

This is one of the scandals of our time, but it is probably acceptable in Ontario in 1982. I do not know if it will be acceptable in 1985. Certainly today it is accepted without criticism.

Mr. Speaker, let me move now to what I think is the most serious problem in the economy of this province and why this government is proving once again that it is inadequate to handle the very serious problems we should deal with.

The amendment that my friend the member for Algoma (Mr. Wildman) introduced provides

the following: to increase the degree of Canadian ownership of Ontario industry and to provide for the use of crown corporations and joint ventures and to develop key sectors of the Ontario economy where imports dominate.

My colleagues certainly remember that there was a very fierce attack on the Foreign Investment Review Agency in the throne speech. That is the devil of the year 1982 for the Tories in Ontario. When the Premier was down in the United States speaking to the Boston Chamber of Commerce, he found an enemy—FIRA. If it was not for FIRA, one could come up to Canada, invest, become wealthy and maximize profits in the private sector.

**Mr. McClellan:** You mean they want to emasculate FIRA.

**Hon. Mr. Walker:** No, streamline.

**Mr. Di Santo:** The Treasurer (Mr. F. S. Miller) does not believe in the public sector interfering with private enterprise but then he is convinced that Suncor is—

**Mr. Kerrio:** He voted for Suncor today. What a contribution.

**Mr. Di Santo:** Exactly, thank you. Then he votes for Suncor.

The Minister of Industry and Trade says, and I quote from a speech, "I must say I do not see the government role as job creator." Then what is Suncor doing? It is destroying jobs. Why did the minister vote for Suncor? I think he should give some explanation.

This government is convinced that if we relax or if we streamline the FIRA regulations then everything will be okay. Let me tell the minister, if he really thinks that FIRA is the reason for our problems, then probably many people who are not Socialists, with a real concern for the Canadian economy, did not understand anything or were acting in bad faith.

We know there is a definite pattern in the Conservative Party, both federal and provincial. It does not matter which; they have the same philosophy. They want to streamline FIRA; they want to emasculate the public sector. They want to give the wealth of this nation to their friends, to private capital.

In 1978 Mel Hurtig, who is a respected publisher, published a book in which he explained that between 1950 and 1970, if there had not been any foreign investments in Canada, we would have been only six months behind. Today, I think there is consensus among the economists of the nation that many of our problems are the result of the foreign ownership of our economy.



I know the minister does not agree, but if he does not agree he should explain to this assembly and the people of Ontario how it is that plant after plant is shut down in Ontario and the decisions are never made in Canada.

**10:10 p.m.**

We all remember what happened to Bendix, a plant in Windsor. For many years it operated in that community. There was only one year it did not show a profit, but then the recession came and an order came from the parent company to shut the plant down in two weeks. The plant was shut down and the workers were sent home. That was the end of it.

If the minister does not agree, perhaps he should explain what happened at the SKF plant in Scarborough, which had been operating at a profit for many years. At some point, because the parent company had decided to rationalize—that is the buzzword, “rationalize”—on a world scale, what happened? It decided to shut down the plant in Canada. It could not shut down the plants in Europe or in other countries. Why? Because Canada is a country where it is easy to shut down a plant. There is no legislation to protect the Canadian workers.

**Mr. Philip:** SKF did not shut down its Swedish plant.

**Mr. Brandt:** They do not shut them down in Europe?

**Mr. Philip:** Not the way they shut them down here.

**Mr. Di Santo:** I am glad the member for Sarnia (Mr. Brandt) woke up all at once and interjected because, of course, they shut them down all over the world. We are talking of something different. We had a select committee to study plant shutdowns and layoffs. The honourable member would be well advised to read the report of the select committee because he would realize that—

Interjections.

**Mr. Speaker:** The member for Downsview has the floor.

**Mr. Kerrio:** He has had it for too long. When is he going to give up the floor?

**Mr. Di Santo:** If the member would listen carefully, I would advise him to go back to his office and read the report on plant shutdowns and layoffs. Then he would realize that plants are shut down all over the world when economic conditions are difficult, when there is technological change that does not allow production to be kept going under certain circumstances.

That is part of economic life. Of course, we agree with that. But perhaps he would learn that in each nation there are laws in place that protect certain types of production, that protect certain jobs for national and security interests, that protect the industrial sectors that are important to a nation.

Interjection.

**Mr. Di Santo:** The member does not want to listen, Mr. Speaker.

For instance, we know right now that the textile industry, or the shoe industry, is in jeopardy in Canada, because we are faced with very tough competition from other countries where costs are lower and productivity is higher. We cannot compete on the world market. But we protect our textile industry, even if it is what the economists call a mature industry. We protect that industry.

There are countries which have stiff legislation on plant shutdowns. When foreign investment takes place, there are tough guidelines explaining what type of content the production should have, what the sourcing should be and what type of relationship should exist between the parent and the branch company. In case of a shutdown, they have to justify the economic condition and the productivity of the company. If the conditions, both economic and social, are justifiable, the shutdown is authorized.

In West Germany, for instance, before shutting down a plant they have to go to the government of the land concerned. A “land” is the equivalent of a province. If they do not have the approval of the government, they will not shut down; but not in Canada, not in Ontario.

Last year, we had innumerable plants shut down. In Rexdale, in the riding represented by my friend the member for Etobicoke, Aylmer shut down without giving notice. Hundreds of workers have been laid off indefinitely. According to the Ontario Ministry of Labour, 21,565 workers in the province were affected by permanent or indefinite layoffs last year. An indefinite layoff is a loss of employment for 13 weeks or more.

Of those 21,565 jobs, 47 per cent were laid off by US branch plants. That is an incredibly high number of people laid off by branch plants. Why? It is because in Canada there is no protection whatsoever. An employer can give notice on a Friday and the next Monday all the workers affected stay at home.

I want to give an example to prove that if there is political determination and the right policies are in place some consequences and



some hardship can be avoided for the most vulnerable workers, especially in the fringe industries but also in those industries which are going through a structural crisis such as the automobile industry.

Last year in Canada, we witnessed thousands of people laid off. Even recently in Oshawa, 1,700 people were laid off all at once without a long notice. The automobile industry is in a crisis, not only in North America but in every other country except Japan. Even giants like Volkswagen have had to rationalize their production because competition is becoming tough and the price of gasoline is taking such a high toll that people tend to use the automobile less. In North America there was a substantial reduction last year. In Europe, and all over the world, sales went down. In North America we witnessed mass layoffs, both in the United States and Canada, without any prior discussion with the workers. It was a decision made in Detroit that affected thousands of our workers.

10:20 p.m.

However, in Europe they took a different approach. They did not use anything like the work sharing they are using in Canada, which is a Band-Aid, short-term proposal that will not solve any problem. They sat down with representatives of the workers and worked out an agreement to place workers with greatest seniority on early retirement and accommodate younger workers on a shorter work week. There were actually European companies that did not have layoffs at all.

That was not the case in Canada. In Canada, we witnessed decisions which created massive layoffs. Our study referred to the automobile industry but the results also apply to Bendix, SKF and thousands of other industries. Because there is no legislation in Canada, it is easier here than in any other place in the world to shut down a plant without the employer suffering any consequences.

We have also seen examples where there is such confusion between the federal and provincial governments that industries are moving from one part of the country to another and actually receiving grants from the Department of Regional Economic Expansion or from the provincial government. They create innumerable problems in the local communities, which in many cases invested valuable capital in order to create what the minister calls the "climate" for the industry to locate in a community. There were dislocations. We know how many com-

munities have been very hard hit by a plant shutting down and moving elsewhere.

The main reason we are faced with this situation is the development of a branch plant economy in our province, which has been encouraged by the government. Faithful to their pragmatic and electoral-oriented approach, the government has always encouraged small branch plants coming into Ontario because they created jobs for a few years and helped the government to get re-elected. But in the long run they do not benefit the economy of Ontario.

Even the minister, who is dogmatic but is certainly a bright person, will agree it has been amply demonstrated that the only reason for multinational and American companies to locate in Ontario and in Canada is to maximize profits. If the minister—

**Mr. Philip:** How many jobs were created by Aylmer Foods and other plants when they pulled out?

**Hon. Mr. Walker:** How many jobs are created when industries come in here?

**Mr. Philip:** You guys are traitors. In another century you would have been shot.

**Mr. Speaker:** Order. The member for Downsview has the floor.

**Mr. Di Santo:** Thank you, Mr. Speaker. It is very kind of you.

I think the minister has a very developed sense of humour. I am sure he does not really think multinational corporations come to Canada to create jobs but, if he does, either he is dreaming—

**Hon. Mr. Walker:** When they come, they do create jobs.

**Mr. Di Santo:** When they come; if he thinks they come to create jobs, either the minister dreams or he does not understand the situation. Since the minister is intelligent, I think he is being jocular, because we all know what happened last year when the federal government introduced the national energy program. All the big multinationals just left Canada.

They did not say, "We want to stay in Canada to create jobs for Canada." They said, "We want to move our rigs down to Texas because the conditions are more profitable there." That is understandable and part of business. They are in the business of making money. They are not in the business of creating jobs.

If the minister really thinks, because he actually said it, that it is the role of the multinational corporations to create jobs but not the role of the government, then he is totally



mistaken. I have respect for the minister and I know he does not believe that.

**Hon. Mr. Walker:** Tell me which company doesn't try to maximize profits.

**Mr. Speaker:** Order, please. Ignore the interjections and carry on.

**Mr. Di Santo:** I am a little bit tired, Mr. Speaker. I think we all agree that every company tries to maximize profits.

**Hon. Mr. Walker:** That's the nature of business. That's what it is all about. Where have you been?

**Mr. Di Santo:** That is just why they are in business: they want to maximize profits. We understand that. For the same reason, if I can make a very simple, elementary deduction, if all companies are in business because they want to maximize profits, the multinational companies are in the business of maximizing profits and that is the reason they come to Canada. It is as simple as that. We all agree—

**Mr. Charlton:** That's also the reason they leave.

**Mr. Di Santo:** Exactly. My friend the member for Hamilton Mountain said, "That's also the reason they leave." That is where this government is delinquent; it does not do anything to protect the jobs of Canadian workers who are threatened by the decisions made by multinational corporations which are in their own interest and not in the interests of the workers of Ontario.

If the minister agrees with this elementary deduction, then I think we are on the right track. If he agrees with this simple proposition, I am absolutely positive he will vote for the reasoned amendment introduced by my friend the member for Algoma. If that happens, the minister will prove that he is on the road to Damascus and finally he has seen the light.

I hope he replies because, as I said, it is very elementary, simple and logical. If he agrees with this, I think we can start discussing how to rebuild the industry of this province. Otherwise, we keep fighting against a wall and against a government that does not want to understand this important reality.

On motion by Mr. Di Santo, the debate was adjourned.

10:30 p.m.

#### HERITAGE LANGUAGES PROGRAM

**Mr. Speaker:** It being 10:30 of the clock, and

pursuant to standing order 28(b), the member for Downsview has given notice of his dissatisfaction with the answer to his question given by the Minister of Education (Miss Stephenson) concerning language rights. I point out to the member that he has up to five minutes.

**Mr. Di Santo:** Mr. Speaker, while we were discussing the bill to establish the Ministry of Industry and Trade, I said the Minister of Industry and Trade (Mr. Walker) is dogmatic, but he is certainly not as dogmatic as the Minister of Education, who is not here.

I asked the Minister of Education why it is that today and yesterday she took a predetermined position against the decision made by the Toronto Board of Education, which accepted a report that will do two things: (1) integrate the teaching of third languages into the curriculum of the elementary schools, and (2) provide that third languages can be used, where numbers warrant, as languages of instruction.

The Minister of Education, in an interview in which she made an unprecedented and very grave statement, said the decision by the board of education would balkanize the school system in the province. I was offended by the minister's statement, because we know that in past years when we asked the minister to apply pressure to the boards of education to accept the stated policy of the government to introduce heritage language classes the minister always said, "I cannot intervene, because that is interference with the autonomy of the local board."

When she does not like the decision made by the Toronto Board of Education, without having seen the report, she says: "I am against it. I will not authorize the courses. I will not change the Education Act. I will not introduce amendments." This is very serious, because it is a very grave interference in the autonomy of the local boards. As you know, Mr. Speaker, the Toronto Board of Education made this decision last week after a very exhaustive discussion involving the intervention of hundreds of people from the community, people who spoke in favour of or against the proposal.

I believe this proposal will not balkanize the school system in Ontario; on the contrary, it will have one positive result: it will give those children who belong to ethnic groups the dignity they deserve as members of and equal partners in this society. We know the same programs are used in the Metropolitan Separate School Board of Toronto; thousands of children



take classes in five languages, and there is no problem there.

I believe, and I am sure you agree with me, Mr. Speaker, that learning a new language is not a negative factor, because the more we increase our knowledge the better we are and the more we contribute to the welfare of our society.

The same programs have been introduced in Alberta, in Saskatchewan and in Manitoba by the former Conservative government. In Alberta there is a Ukrainian school from grades 1 to 13. There are no problems there. There is no balkanization. The children of Ukrainian or other ethnic backgrounds feel proud of themselves, and they are certainly better Canadians.

One of the excuses used is that there are already so many problems for the children, for

the students who go to university, but that is an excuse, and I think history will make nonsense of it.

**Mr. Speaker:** The member's time has expired.

**Mr. Wildman:** On a point of order, Mr. Speaker: I am sure we could have general consent from the members who are present in the House to give the member for Simcoe East (Mr. McLean) the opportunity, as the only Tory in the House, to respond to my friend the member for Downsview.

**Mr. McLean:** Mr. Speaker—

**Mr. Speaker:** Order. That is not a point of order.

**Mr. Boudria:** It's a good point.

**Mr. Speaker:** It is a point of interest perhaps. The House adjourned at 10:37 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 48

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Thursday, May 13, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 13, 1982

The House met at 2 p.m.

Prayers.

## STATEMENT BY THE MINISTRY

### RIDEAU CENTRE MORTGAGE FINANCING BILL

**Hon. Mr. Sterling:** Mr. Speaker, later today I will be introducing a bill respecting the mortgage financing of Rideau Centre in the city of Ottawa. The intent of this bill is to provide for an innovative system of financing for the Rideau Centre.

The Rideau Centre, as members will know, is a major real estate development in downtown Ottawa. Included in this complex are (a) commercial facilities which include a department store and renovated office building, (b) a 500-room, full-service hotel and (c) a 4,000-seat convention centre.

In addition to the usual mortgage agreement arrangements, this legislation permits the mortgagor—the borrower—to give to the mortgagee—the lender—an option to purchase an equity share in the project.

Common law forbids such an option to be attached as part of the mortgage transaction. The clogging rule, as it is known, was developed to prevent an unscrupulous lender from changing a borrowing transaction into a transfer of property. The viability of the Rideau Centre depends on the successful completion of this loan for \$88 million with such an option attached to the mortgage document.

The rationale behind the development of the common-law rule is not applicable in this case, since all parties to the agreement are well aware of the agreement's implications.

## RESPONSE TO ORAL QUESTIONS

**Mr. MacDonald:** I rise on a point of order, Mr. Speaker, before we get to question period.

I think our rules are silent about the time frame within which a minister is obligated to reply to a question addressed to him before the orders of the day. Sometimes a question is asked and the minister agrees to look into it but it drifts off into limbo, specifically with my favourite minister, that fellow asphalt farmer (Mr. Timbrell).

I asked him a question some two or three weeks ago with regard to predatory ravens that are ravaging livestock in northwestern Ontario, and he was going to look into it. He is still looking, and we have had no reply.

Is it possible for you to take a look at the rules and perhaps establish a time frame?

**Mr. Speaker:** I am sure the minister will be eagerly looking forward to that inquiry when he reads Hansard, and no doubt he will have an answer in the near future.

**Mr. MacDonald:** What about the rule? Can we have a two-week rule as with written questions?

**Mr. Speaker:** That is up to all the honourable members. I just interpret the rules.

## ORAL QUESTIONS

### WELFARE BENEFITS

**Mr. Peterson:** Mr. Speaker, I have a question for the Provincial Secretary for Social Development. I am sure she is aware that the Social Planning Council of Metropolitan Toronto stated yesterday that \$650 million would raise all welfare and family benefit payments by 25 per cent to bring all 400,000 social assistance recipients up to minimum poverty levels in the province. I am sure she is also aware that part of that report said, "For the price of Suncor the Ontario government could eradicate poverty for welfare recipients." What is the minister's opinion on their report?

**Hon. Mrs. Birch:** Unfortunately, Mr. Speaker, I have been away ill and have just returned. I have not availed myself of the information the Leader of the Opposition has just brought to my attention. I will be very happy to look at that report and then be prepared to make comments.

**Mr. Peterson:** It is curious how ministers inform themselves when it is favourable to them and do not inform themselves when it is not favourable.

However, everything in the report that is meaningful is what I have just told her. I could repeat it for her, and then she could give us her judgement, if she would like to, or at least she could express her concern on the subject.

What they said was that for \$650 million we could raise all welfare and family benefit payments



by 25 per cent in this province to bring them up to minimum poverty level.

**Mr. Nixon:** For \$650 million.

**Mr. Peterson:** For \$650 million, the price of Suncor. The minister may have missed the vote the other day; if she did, I am sorry. What is her opinion on that?

**Hon. Mrs. Birch:** Again, the honourable member is taking this out of context. I would much rather read the report and make my own judgements about what is contained therein and then make a contribution. If in the meantime he would like to direct that question to the minister responsible, who is in the House, I think it would be very appropriate.

**Mr. R. F. Johnston:** Mr. Speaker, it is interesting as well how the Liberal Party acquaints itself with information. This question was raised by me and the member for Port Arthur (Mr. Foulds) just a couple of days ago.

**Mr. Wrye:** You did so badly we had to come back to it.

**Mr. Peterson:** That's why you lost.

**Mr. R. F. Johnston:** David, you will continue to follow.

**Mr. Nixon:** We don't like the way you are treating Marion Bryden. She has the thumbscrews on.

**Mr. Roy:** I'd like to hear from Bob Rae himself.

**Mr. Kerrio:** Bob Rae? Who's that?

**Mr. Speaker:** Order.

**Mr. R. F. Johnston:** If the better-late-than-never party could be quiet while I ask my supplementary, I would appreciate it.

What are the priorities of the government? Are they going to spend up to \$650 million in total dollars—those are not provincial dollars; it would be some \$230 million in provincial dollars—to bring people up to a decent standard of living in this province, or are they going to squander our money on other kinds of deals such as have been mentioned by the Leader of the Opposition?

2:10 p.m.

**Hon. Mrs. Birch:** Mr. Speaker, I have no difficulty in defending the priorities as set down by this government when it comes to looking after people in need. This government has demonstrated, certainly over the years I have been here, that it does care and does attempt to meet the needs of the different groups in our

society which through no fault of their own have special needs.

**Mr. Peterson:** With respect to the Suncor purchase, the Treasurer (Mr. F. S. Miller) made this statement: "There has been no sacrifice of any government program spending deemed necessary by the cabinet of this province because of the Suncor deal." Do I determine from this that the minister feels it is not important, that this is not a necessary program and that those are her priorities as the provincial secretary responsible?

**Hon. Mrs. Birch:** I do not need the member to put words in my mouth. That is not what I suggested at all.

**Mr. Peterson:** The minister has difficulty putting good thoughts in her own head.

#### MUNICIPAL ELECTION REFERENDUM

**Mr. Peterson:** Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing. Can he tell us why his ministry has determined that the nuclear disarmament question is not legitimate under the Municipal Act? Why is his staff actively discouraging municipalities from including that question in a referendum for the municipal elections?

**Hon. Mr. Bennett:** First of all, Mr. Speaker, my ministry is not discouraging the municipalities. Questions have been asked of the minister. I have made it very clear to those municipalities that have inquired through my office about the question going on the ballot this fall at municipal election time that it would be best to seek the advice of legal counsel and to be guided by that legal counsel's opinion.

We are neither encouraging nor discouraging them. We are making it clear that they should seek the advice of legal counsel whom they happen to pay, or they can hire outside legal counsel for that advice. I strongly suggest they might want to follow that advice. It is either that or, if some challenge happens to take place at a later date, I suppose legal counsel would have to be called back to again express a view or an opinion. I make it clear that we have only suggested they seek legal advice.

**Mr. Peterson:** With great respect, that does not conform exactly to the facts. A letter from J. R. Tomlinson, solicitor of the municipal law unit of the legal branch of the ministry, says, "I find it difficult to understand how the question of global disarmament could be considered to be a legitimate municipal question." I will not read the whole letter, but he goes on, "The

lection could be invalidated as a result of including this question." He warns the councillors about possible personal liability for including these questions.

Does it not appear to the minister that he is indeed offering an opinion and discouraging the inclusion of this question? Why would he not allow the municipalities, as a matter of policy, to make up their own minds on this question?

**Hon. Mr. Bennett:** My answer to that question is no.

**Mr. R. F. Johnston:** Mr. Speaker, there are now 14 municipalities in this province that have chosen to take this route, including such major municipalities as Windsor, London, Toronto, Kingston and Ottawa. The letter from Mr. Tomlinson of his ministry has caused a number of these municipalities to think twice. An example is Hamilton, which had voted in favour of disarmament but which decided last night it could not vote in favour of the bylaw to implement it because it did not know its legal status.

Will the minister accept the motion that was passed by the city of Toronto asking him to bring in legislation, I presume to amend the Municipal Act, so it would have the right to put this specific motion on the ballot, given that as many as three million people in this country have shown their support for it and that 84 per cent of the people polled in Metropolitan Toronto have shown they are in favour of this kind of action?

**Hon. Mr. Bennett:** At this point, I am not about to offer an amendment to the Municipal Act—

**Mr. MacDonald:** Cop-out.

**Hon. Mr. Bennett:** Just listen for a moment, if it is not too much to ask.

I have said clearly in answer to the questions that at my request I am having further reviews made through the Ministry of the Attorney General as to the constitutionality of municipalities having the question on the ballot come the next election. At this moment I am not prepared to suggest to this House that I will offer an amendment to the Municipal Act to accommodate it, but we are reviewing it further.

**Mr. Peterson:** The minister's colleague the Minister of Tourism and Recreation (Mr. Baetz) says in a letter that he has "checked with the Ministry of Municipal Affairs for Ontario. The Municipal Act has no bearing on the proposed action by the city of Ottawa. The Ontario government will not be involved in the decision

as to whether or not this referendum will be conducted."

But, in fact, the minister himself is imposing this cautious legal advice. Why will he not enable those municipalities that want to do it to go ahead? Why is he keeping this cloud over the whole question, with the possibility of personal liability if the various municipalities proceed? There is a clear and demonstrated wish that a number of municipalities want to go ahead but, as my friend has pointed out, some have had to back off. Why does he not clear it up?

**Hon. Mr. Bennett:** Simplicity happens to be the leader of the Liberal Party's way of doing most things, without worrying about whether it has any legal basis. In this case we will make sure what the legal basis happens to be. I am very strongly suggesting, and I repeat it, that my advice has been to seek legal advice. If the member were to think of it in any kind of logical order, I am sure he would offer the same advice to municipalities: to seek legal advice as to the position of the question in relationship to the municipalities.

I have not looked at my—

**Mr. Peterson:** Did Reuben Baetz send this letter? Reuben doesn't agree.

**Mr. Speaker:** Order. The minister is attempting to answer your question.

**Hon. Mr. Bennett:** I only repeat that I have asked the Attorney General (Mr. McMurtry), through his people, to review further the legal problems that could be—

**Mr. Eakins:** Change the law.

**Hon. Mr. Bennett:** That is simplistic again: just change the law, continue to change it to accommodate every situation that happens to come about. I trust the leader of the Liberal Party would believe that one should first find out whether there is a constitutional position in relation to the subject. I think it is paramount that at least we get the legal position on that aspect.

I do not intend to change the advice I have been offering to municipalities. There may have been 14 that have asked about the question, but there are 838 municipalities in this province. Before we start off with some general advice, we would like to know our ground.

**Mr. R. F. Johnston:** Mr. Speaker, I have a question for the Premier, coming back to the same question. His minister has indicated reluctance to be very actively involved in this process. Is the Premier in favour of the people of this province being able to express their opin-



ions on the matter, this fall, in referenda around this province?

**Hon. Mr. Davis:** Mr. Speaker, I do not think it is a question of whether I am in favour. I have my own personal views, which I think would be consistent with—

**Mr. Kerrio:** The Premier is in favour of everything.

**Hon. Mr. Davis:** No. I am opposed to some things. I am not opposed to the member for Niagara Falls personally but to what his party pretends to stand for some days, which almost every day is different from other days; that I am not in favour of. It is the party that has become such a millstone around its leader's neck but not around the neck of the member for Brant-Haldimand-Oxford-Norfolk (Mr. Nixon).

The Minister of Municipal Affairs and Housing put it very carefully and very clearly. A number of municipalities have shown an interest in putting this question on the ballot. If every member in this House had an opportunity to express a personal point of view, I am sure we all know what it would be.

What the minister is faced with is that under the present wording of the Municipal Act it creates some doubt; so he has said to them very simply, "Get some legal opinion." There is also some question as to whether, constitutionally, it would be proper even if there were an amendment to the Municipal Act. I am just telling the members the legal questions that have been raised.

The Minister of Municipal Affairs and Housing is getting an opinion from the senior law officers of the Attorney General to find out whether there is a possible legal problem, and that is where it rests.

**Mr. R. F. Johnston:** I recognize the constitutional question raised by the Premier; it was raised in an editorial by Mr. Smither in *Municipal World*, which has been circulated recently. However, would it not be possible to bring forward an amendment that would allow municipalities to raise issues on referenda outside their normal jurisdiction and not have them brought into question?

**Hon. Mr. Pope:** No.

**Mr. R. F. Johnston:** I hear the Minister of Natural Resources saying "no." I am glad to know that he is the expert on this matter and that it is already decided.

2:20 p.m.

Does the Premier not realize that if we do not

put this enabling legislation into place beforehand to clear up this matter once and for all, we are in danger of finding that what was in the *Toronto Sun* article on May 11 is correct, that there is a group right now ready in Toronto to challenge the legality of the elections in Toronto if they go ahead with the referenda during the municipal elections? Is it not important and vital that the government move now and get this cleared up by action, not just by consultation on legal opinion?

**Hon. Mr. Davis:** Perhaps the honourable member did not understand what I was saying. If the member for Riverdale (Mr. Renwick) were here and in his seat, he might explain it to the member, but I shall try once again to explain it. Quite obviously, the Leader of the Opposition, in spite of his Queen's Counsel, does not understand the law either. I do not pretend to understand all the law, but I shall try once more—

**Mr. Roy:** You are hardly an authority.

**Hon. Mr. Davis:** I say to the member for Ottawa East that I know my knowledge of the law is not nearly as great as his, because I do not spend nearly as much time in the courts practising as he does.

**Mr. Roy:** That's right.

**Hon. Mr. Eaton:** It must be Thursday; Albert is here.

**Hon. Mr. Ashe:** The Premier doesn't practise three days a week as he does.

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** The member for Ottawa East should some day learn not to interject.

Can I explain it this way? There are two possible issues. One is whether under the present provisions of the Municipal Act it would be legal for the municipalities to put it on the referendum, and that is where the minister has said legal advice should be sought. His own ministry officials have raised this, and the *Municipal World* article referred to registers the same caution in the last paragraph. I may be totally incorrect but I think I am right.

**Mr. R. F. Johnston:** Yes, I agree.

**Hon. Mr. Davis:** I am now raising with the member the fact that the Minister of Municipal Affairs and Housing, apart from the existing provisions of the Municipal Act, is inquiring of the Ministry of the Attorney General whether, even if we were to amend the Municipal Act so that from our standpoint it would appear to be legal, this province has the constitutional right

to amend the act to have a question of this nature put on the ballot.

As I say, there are two points, and it is the latter which we are attempting to delineate.

**Mr. Nixon:** Mr. Speaker, it concerns me that the government's representatives are sending out letters discouraging municipalities from taking this position when the Premier surely must be aware that municipalities in the past series of elections have carried out the referendum without any question; it was simply an indication of the views of the municipalities concerned, and nobody seemed to worry too much about it at all. I regret very much that it did not bring an end to world armament, far from it, but still the concept is for the municipal taxpayers to have an opportunity to express their views.

Can the Premier explain why no objection was raised when it was done in the last series of elections and why, all of a sudden, the government, probably in response to some of the hard-shell, redneck supporters, is setting up roadblocks in what seems to be a reasonable approach?

**Hon. Mr. Davis:** Mr. Speaker, I confess to the House leader of the Liberal Party that I do not recall this having been done by municipalities two years ago; if the honourable member is correct in that, it certainly was not raised with us. In other words, if they did it, obviously no ratepayers objected to it, because no move was made to invalidate those elections.

I just became aware of this in the past three or four weeks when municipalities have asked the government—I do not recall them doing it last time, but they could have—whether it is legally appropriate. The problem is that if it is not legally appropriate and it is on the ballot, then the possibility is there—and I say possibility, not probability—that somebody might move to invalidate, not the question of the referendum but the election itself. That is why the minister has registered this caution.

I point out to the member that, to my knowledge—I do not know which municipalities did it two years ago—

**Mr. Nixon:** Paris, I believe.

**Hon. Mr. Davis:** If that community did it and no one raised any objection, I guess that is why we have not heard about it; but I did not know they had done it.

**Mr. R. F. Johnston:** As the Premier knows, there is a great deal of good will on all sides about this issue, and a great number of unnatu-

ral coalitions have been developed, including the 120 parliamentarians of all three parties at the federal level who have signed a request for an international vote. We have the example at city hall, one which I do not think we have ever seen before, with O'Donohue, Gee, Gilbert, Sewell and Eggleton all on the same side of an issue.

Does the Premier not feel it is important that we at the provincial level should play our part in this movement? Will the Premier report back as quickly as possible to the Legislature? Does he not also feel that what we should be trying to do is make this legally possible and that this is the very kind of facilitating role we could have at the provincial level?

**Hon. Mr. Davis:** I totally share the views of the member with respect to the degree of unanimity on this issue that would be sensed in this House. I do not think there is any argument about that.

My own view is that if it were appropriate to have it on a municipal ballot, I would be very surprised and disappointed if there were not about a 99 per cent response in the affirmative, assuming the question were worded in the expectation of an affirmative response.

I am not questioning the wisdom of having it on a ballot or getting expressions of public opinion, except I think both of us could predict very accurately what that public opinion would be. But if it is to be done, we do have the responsibility of seeing it is done in a way that will not lead to the potential of the invalidation of the election itself.

I hope the member understands that after my attempt to explain it to him in the legal sense. As soon as we have that information, I am sure either the Attorney General or the Minister of Municipal Affairs and Housing will be delighted to share it with members of the House.

**Mr. R. F. Johnston:** The question, of course, is one of time.

#### EMPLOYEE HEALTH AND SAFETY

**Mr. R. F. Johnston:** Mr. Speaker, my question is to the Minister of Labour. On January 19 there was a work refusal by nine employees on the paint line of a Westinghouse plant in Hamilton. Mr. Kwok of the Ministry of Labour issued an interim order at that time that employees wear masks pending the results of further testing. That testing took place on January 21 and the results were given to the union on March 11.

I have the results with me here. They state that in at least two tests the levels of a chemical



solvent, Solvesso, were above the 250 milligrams per cubic metre that is acceptable. I also have with me the health and safety data sheet of Solvesso, issued by its manufacturer, Esso Chemical of Canada, which clearly states that this is the safe exposure level.

Why did the Ministry of Labour report indicate that no further action was necessary and that no orders were necessary, and why was the company ordered to take down the barriers and to tell the workers they no longer needed to wear masks in that area?

**Hon. Mr. Ramsay:** Mr. Speaker, I am aware of the particular circumstance, but I am not aware of the reasons for the orders not being laid at that time.

**Mr. R. F. Johnston:** In part of this report by Mr. Kwok, he states that the acceptable level for Solvesso is 575 milligrams per cubic metre, which is more than twice the real level. He did not even know what the safe levels were. When he was challenged on this, Mr. Kwok informed Stan Gray of that health and safety committee that he did not have access to the manufacturer's data sheet. We got it with one call to the ministry's labour library. Why could he not get it? Why did he not know? How can workers have faith in the ministry inspectors when they do not even know what the safe levels are for the substances on which they make rulings?

**Hon. Mr. Ramsay:** If the allegations by the honourable member opposite are correct, and I have no reason to believe they are not, I will have to look into that matter immediately and will be pleased to do so.

**Mr. Mackenzie:** Mr. Speaker, is the minister aware that this is not the first time there have been violations of health and safety at the Westinghouse plant? In October 1979, as he may know, an explosion blinded and critically injured a worker. It was only after the union pursued the matter—and it took almost a year—that the minister laid four charges.

Is the minister aware that employees in the welding department signed a petition in January 1982 asking the minister to act to rectify the fumes which were causing sore throats and burning eyes, that in February there was a work refusal in this department and that to date the union representatives are unconvinced the ministry is undertaking accurate testing and appropriate action?

What assurances do we have that a serious investigation is taking place at Westinghouse

leading to charges for being a chronic violator of the act?

**2:30 p.m.**

**Hon. Mr. Ramsay:** Mr. Speaker, if the member is looking for assurances, I will be pleased to provide my personal assurances that the investigation will be expedited. I will have a report for him at the beginning of the week at the very latest.

#### PLANT LAYOFFS

**Mr. Nixon:** Mr. Speaker, I have question of the Premier having to do with the announcement yesterday of the layoffs in Brantford and Toronto by Massey-Ferguson and White Farm Equipment. Is the Premier aware that Victor Rice, the president of Massey, announced two weeks ago that although there were layoffs in the worldwide holdings of the company he was prepared to live up to his commitment that led to our financial guarantee and there would be no layoffs in Canada?

Can the Premier use his good offices to see that the company respects the agreement that led this House to support it, along with the government of Canada, with guarantees of \$200 million, on the basis of which the company has continued its operation?

**Hon. Mr. Davis:** Mr. Speaker, I am not aware of what Mr. Rice may have said a few days ago. I regret that I do not have any up-to-date information for the honourable member. We are in the process of obtaining it.

I was able to get some information with respect to White Farm Equipment. I got this just before coming into the House. As I understand, they announced a layoff of 49 workers, which will reduce the work force to somewhere around 691 on May 21. They also go on to point out that in total numbers of employees this is higher than it was a year ago.

We are assured that no jobs are being done in the United States plants that were formerly done in Brantford. The member, and I am sure the member for Brantford (Mr. Gillies), might be concerned that there was some shift of some of the work; that has not happened. It apparently just relates to the present market condition. I will endeavour to have the Minister of Industry and Trade (Mr. Walker) or myself provide an update on the Massey situation for tomorrow's question period.

**Mr. Nixon:** It is a little difficult in talking about both companies, which are somewhat similar in that they are both operating to some

extent with government guarantees, but their situations are separate because in White's instance his government and the government of Canada approved the sellout to American interests just a few weeks ago with the understanding that this would maintain employment. I appreciate the Premier's indication that further information will be made available.

Did the Premier see the statement made by Victor Rice, the president of Massey, that there was no more fat to be cut from the company? Further, is the Premier aware that Mr. Rice is paid over \$400,000 a year for his duties to operate the company, which is really existing only under the good graces of the guarantee provided by the taxpayers federally and provincially?

Does Ontario have someone on that board, or overseeing the actions of the board in our interests, who will see that there is no fat in the operation of the company, perhaps of the type I have described; and that it can operate to build world-class combines, make sales to the farming community here and abroad and maintain a reasonable level of employment in Brantford and Toronto?

**Hon. Mr. Davis:** I will not comment on one or two aspects of the member's question. I would only say that the member for Brantford—

**Mr. Nixon:** Some people are more successful at that than others.

**Hon. Mr. Davis:** I have not done badly. I just thought I would point it out.

**Mr. Nixon:** I am not upwardly mobile.

**Hon. Mr. Davis:** The member is not what? Mobile?

The member for Brantford raised the general concerns with me just a few days ago, not in the specifics of whether there is any fat left in the organization. I will check with the Minister of Industry and Trade as to who is on the board at Massey and get that information. It is public. I cannot give the member the names offhand. His colleague the Leader of the Opposition (Mr. Peterson) might because he is really far closer to these committees of young presidents than I am. I will find out who is on the board.

It is also fair to say that the condition on which this government supported Massey, I believe with some enthusiasm from the member who asked the question, was obviously to maintain that industry within Canada and enable it to compete in the international marketplace.

I have not reviewed the sales of combines in the last few weeks, but I think the honourable

member would probably share the point of view that for a variety of reasons, in particular, the export market, sales are probably not that robust at the moment.

I will express no opinion on Mr. Rice's salary. I did not see it recently, but I did some eight or nine months ago—

**Mr. Nixon:** On the front page of Toronto Life it says: This Man Made Over \$400,000 Last Year. How Did You Do?

**Hon. Mr. Davis:** I do not have time to read Toronto Life. I have not had an opportunity to read all of the latest edition of Toronto Life, but if it is the same one in which there is an article about Mr. Robarts, I have read that article, which I thought was very good, as a matter of fact. I did not read the rest of the edition.

I was aware of Mr. Rice's salary some eight or nine months ago. I will not comment on the size of it, except to say that the amount appeared to me to be appreciably higher than some of the rest of us in this Legislature are earning.

**Mr. Wildman:** Mr. Speaker, supplementary to the Premier's first answer as it relates to White: Can the Premier indicate whether he still agrees with the Minister of Industry and Trade in stating that the takeover by TIC Investment Corp. was justified in order to save over 900 jobs in Brantford, now that we find the actual work force in that facility is substantially less than the 900 the minister said he was saving by pressing the federal government to agree to the takeover?

**Hon. Mr. Davis:** Mr. Speaker, I think if the Minister of Industry and Trade was here he would put forward the same argument. The alternative was to oppose that takeover with the real possibility that, instead of the 49 or so jobs that are being reduced—I hope on a short-term basis—in the latter part of this month, the number could have been substantially higher.

I know the honourable member is opposed to this sort of thing philosophically but our responsibility, as a government, is to find the most pragmatic and practical way to retain employment in this province. In our view and in the view of the government of Canada and that of most people who are very close to it, this was the best route to go, and that is the route we did go. The chances are that as a result of the decision of this government, there are several hundred people still working at the White company in Brantford, who otherwise might be laid off today.



## BELL CANADA RATE INCREASE

**Mr. Swart:** Mr. Speaker, I have a question for the Minister of Transportation and Communications. I am sure he is aware that Bell Canada has just applied to the Canadian Radio-television and Telecommunications Commission for an increase in its long distance rates which, if it is granted, will take some \$50 million or more from Ontario users alone.

Recognizing that Bell Canada got a 19 per cent increase in its long distance rates just last October and that most of that increase did not show up in its swollen profits of \$559 million last year, and recognizing the government's general responsibility for customer protection against these licensed utility monopolies in the present financial condition of many individuals and companies, does the minister not think the application for that kind of increase is obscene? Why does he not get the long distance feeling and place it with some vigour between Bell Canada and its next increase?

**Hon. Mr. Snow:** Mr. Speaker, I have some difficulty in relating the Bell Canada rate increase to being obscene.

I would have to say that, like all applications by Bell Canada or other regulated utilities, there is a regulating body. In this case it happens to be the CRTC at the federal level to which that application is made. It is certainly the practice of my ministry, on behalf of this government and the people of Ontario, to be present at those hearings, to intervene and to question very seriously the applications that are made. We fully intend to do that in this case, as we have in the past quite successfully.

**Mr. Swart:** Surely the minister must realize that Bell Canada has conned him and the CRTC in the past, particularly last year. Bell's profits were 25 per cent higher than they had ever been before and even then they did not include the increase it has been allowed. Why does the minister not realize that Bell is not only a telephone monopoly, it is also a cleaning monopoly where everybody's pockets go through its wringers?

2:40 p.m.

Mr. John Grandpre was quoted in the *Globe and Mail* on March 1 as saying: "At present, long distance charges are not related to actual costs." In fact, they are above it. Analyst Edna Chapman in the *Financial Times*, recommending purchases of Bell shares less than a month ago, said: "Now that the profit spiral generally of companies is headed down, it is comforting to

know that Bell's profits will rise this year to \$3.30 a share from \$2.97 in 1981. Additional factors have recently come to play in Bell's favour. For instance, there is a potential for a more obliging regulatory environment."

I guess the real question is: Is the minister going to go on being part of that obliging regulatory environment for Bell or is he going to change his stance and for once come down vigorously and solidly on the side of the consumer?

**Hon. Mr. Snow:** I want to assure the honourable member that I am not part of that regulatory environment. I have been there and my officials have been there at every regulatory hearing in the past seven years that I know of, representing the people of this province. I am not part of the regulatory process. I am not part of the federal CRTC.

**Mr. Cunningham:** Mr. Speaker, the minister is quite right when he suggests he has been there over the past seven years or whatever, but neither he nor his officials have been effective in keeping these rates down to a reasonable level. Rather than attending, would he be of the view that he might give a small percentage of the cost associated with sending him and his high priced staff there to public interest groups so they might make their own cases?

**Hon. Mr. Snow:** No, Mr. Speaker.

## SUNDAY OPENINGS

**Mr. Yakabuski:** Mr. Speaker, I have a question for the Solicitor General.

[Applause]

**Mr. Yakabuski:** I thank the assembly for that tremendous ovation and applause.

Does the Solicitor General have any further information to add as a result of a question asked him by the member for Oriole (Mr. Williams) some two or three weeks ago with regard to the flagrant violation of Sunday store hours, especially by retail outlets such as furniture companies and the like? Has his ministry pursued the matter in a vigorous manner since the member for Oriole asked the question?

**Hon. G. W. Taylor:** Mr. Speaker, I can assure the member for Renfrew South that the Ministry of the Solicitor General will always pursue vigorously any activities it is requested to do on behalf of members as long as it is in the territory the ministry is involved in.

As the member is aware, the Attorney General has requested that those officers prosecuting anybody charged with offences under that

particular legislation seek out higher and heavier fines to discourage the opening of stores in violation of the legislation.

### CHILDREN'S GROUP HOME

**Hon. Mr. Drea:** Mr. Speaker, on April 20, the member for Halton-Burlington (Mr. J. A. Reed) asked a question concerning the disposition of a case of a person who had been under the custody of the ministry. Because of criminal proceedings, I had hoped to avoid answering this until the final criminal proceedings were over; however, he has asked twice. I want to make it very plain today that I am speaking about events up until March 29, 1982, and events in a courthouse on April 28, 1982, and no other matters.

The question was asked as to how and why this 16-year-old was "removed by force" by the ministry from the D and G Group Home near Milton. The 16-year-old was removed because he would not conform to the program he had been assigned to. He had been removed from the Cecil Facer Training School in 1980 to that group home under the clear specification that he would conform to his probation and after-care officer's regulations and that he would attend school. He chose not to attend school. In the time he was at the D and G Group Home he ran away innumerable times and was charged with offences under the Criminal Code. One of those offences resulted in a sentence of a community service order.

When he refused to go to school a decision was made to remove him to a ministry-operated group home in Hamilton which is tied in to job training. At that point, even though he had been notified by his probation and aftercare officer, this 16-year-old decided to resist movement. One of the myths in this case is that he suffered injuries to his mouth and his face from the Halton regional police. That is not correct. He inflicted them on himself during a struggle with the staff who were trying to restrain him.

When he arrived at the second group home after a stay in the Oakville Observation and Detention Centre he appeared to have reconciled himself to obtaining employment and seeking independent living under supervision by the ministry. On that basis he was allowed to go outside and was to be back after a one-evening absence.

He chose not to do that; he took off, as I say, between February 12 and March 29, during which time he was not "given shelter by the province," as the honourable member said. On

March 29 he was apprehended after the commission of a very vicious crime. Because he was 16 he was held in the Hamilton-Wentworth Detention Centre as an adult. On April 28 of this year he was convicted of that offence. He was sentenced to four months in jail plus two years' probation. I want to read the words of the judge when he issued the sentence: "No words can express my loathing and revulsion for this kind of violence and my sympathy for the victim. While it is true that he had certain problems throughout his early years, there was no evidence the youth had done much to overcome them on his own."

**Mr. J. A. Reed:** Mr. Speaker, in my original question I asked if it was normal practice to remove a youngster from a group home as part of the ongoing program and, if it was, would the ministry review that practice inasmuch as in this case the young person seemed to have built up some sort of relationship with the staff of D and G Group Home. In fact, the offence for which he was convicted was only committed after he was removed, after he was sent to a ministry-run home and after the ministry-run home took him back to Milton, let him go, where he was absent without leave for about a month before he was—

2:50 p.m.

**Hon. Mr. Drea:** There was a warrant out for him, that was prior to his arrest—

**Mr. Speaker:** Order.

**Mr. J. A. Reed:** All right. I am just asking if it is common ministry practice to take a young person out of a quasi-home environment? If it is, would the minister review that procedure to satisfy himself whether that procedure is in the best interests of difficult young people? If it is not part of normal procedure, will he take steps to see that it does not happen again?

**Hon. Mr. Drea:** Mr. Speaker, I want to assure the honourable member that it is normal procedure. I think the member disagreed with many of my programs when I was the Minister of Correctional Services.

Interjections.

**Hon. Mr. Drea:** That is right. The member did not want women working in the institutions. He remembers that.

**Mr. J. A. Reed:** You what?

**Hon. Mr. Drea:** The member opposed female correctional officers. He wanted privacy for male prisoners, does he not remember?

Interjections.



**Mr. Speaker:** Order. Would you direct your attention to the question, please?

**Hon. Mr. Drea:** Mr. Speaker, when I was the Minister of Correctional Services, I made it very plain that this government was in the corrections business, that the inmates were not going to dictate to us how they were going to be treated or handled.

When I became the minister of this portfolio and assumed responsibility for juvenile corrections, there was a statement issued to every police force, every family court judge and everybody in my service dealing with that—that we are in the correctional business. I am not providing loving home environment, I am not providing any type of bleeding-heart service; you are going to be corrected.

Interjections.

**Mr. Speaker:** Order.

**Mr. Van Horne:** Social service? Nice shot, Frank.

**Hon. Mr. Drea:** I will tell—

**Mr. Van Horne:** You tell me.

**Hon. Mr. Drea:** I will tell you a lot. Just calm down or—

**Mr. Speaker:** Order. New question, the member for Grey-Bruce.

Interjections.

**Mr. Speaker:** I think there are too many interjections.

**Mr. J. A. Reed:** A point of privilege, Mr. Speaker.

**Mr. Speaker:** What is your point of privilege?

**Mr. J. A. Reed:** During his answer the minister made an accusation about a position that I had taken at some time in the past. I just want the record to show that the position I took was to give male prisoners some privacy when they were showering.

**Mr. Speaker:** Order. New question, the member for Grey-Bruce.

**Mr. McClellan:** On a point of order, Mr. Speaker: I wonder if you would review the past exchange and determine whether there was a violation of the sub judice standing order.

Interjections.

**Mr. Speaker:** Order. Yes.

**Hon. Mr. Drea:** I want to repeat again, and the member understood it, that we were talking about events leading up to March 29, and only on April 28, when a conviction and a sentence

were registered. If the member wants to get into the act about anything else, wait until the next—

**Mr. Speaker:** Order.

[Later]

**Mr. McClellan:** Mr. Speaker, on a point of order: This is a point I raised earlier in question period. I did not understand whether you intended to review the exchange featuring the Minister of Community and Social Services (Mr. Drea) in order to determine whether he was dealing with a matter which was sub judice. The matter is of enormous importance.

The rule exists to protect citizens and to guarantee them the right of due process. If my memory serves me correctly, the minister began his answer by saying that there were criminal proceedings pending, and then proceeded to establish the case that the young man in question was a vicious criminal. I do not know how the sub judice orders are supposed to be interpreted in this House when, on face value, a minister abuses his position of access to privileged information in order to answer a question in that manner.

We look to you, sir, for an investigation of that matter and some understanding of what the sub judice rule means in this House.

**Mr. Speaker:** Thank you. I asked this question. With all respect, I do not remember those exact words being used. According to the minister, prior to answering the question he did make the announcement that he was not in any way referring to any of the charges which were still pending. If the honourable member has evidence to the contrary, then it is up to him to make the allegation and produce the particulars of what matters are sub judice.

Petitions. Reports.

**Mr. Roy:** Mr. Speaker, may I speak on the point of order raised by my—

**Mr. Speaker:** We have gone past that point of order. I have dealt with it on the basis of my understanding of what was said. I do not have a copy of Hansard in front of me.

**Mr. Roy:** But I am simply trying to be helpful. When a point of order is raised affecting members, I think it should be—

**Mr. Speaker:** I think we went beyond the point of order, with all due respect. No one else stood to speak on it. I would suggest to the honourable member that he is out of order—

**Mr. Roy:** I am raising a new point though.

**Mr. Speaker:** —and I would have to ask him to resume his seat, please.

**Mr. Roy:** Can I raise a new point of order on that issue?

**Mr. Speaker:** No, not on the same issue.

**Mr. Roy:** You know you do not want help and assistance from members, if you take that approach.

**Mr. Speaker:** I will certainly need all the help and assistance I can get and be pleased to have it.

2:54 p.m.

### GOVERNMENT JET

**Mr. Sargent:** Mr. Speaker, since the Premier (Mr. Davis) has ducked out of the House—he smelled a rat, I think—I would like to direct this question to the Minister of Natural Resources. It has to do with the Premier's jet.

May I say to the minister—

**Mr. Speaker:** No. You may ask a question, though.

**Mr. Sargent:** I am sorry, I stand corrected.

In view of the fact that we are told that even the washroom has a cathedral-like quality, with leather-covered toilet seat and full-length mirror; and in view of the fact that this is an asinine question to start with—

Interjections.

**Mr. Sargent:** We have here the finest of leather. We want the Premier to ride in sheer comfort. This is very soft. There is no skidding with the turbulence in the air.

**Mr. Speaker:** Having said that, does the member have a question?

**Mr. Sargent:** It is a prelude to the question. This is available when the jet arrives.

**An hon. member:** Is it Canadian-made?

**Mr. Sargent:** It is Canadian-made. According to authorities, with the leather-covered toilet seats and reclining seats converting to beds, we have established that between \$11 million and \$12 million will be the laid down cost of this jet.

**An hon. member:** The sit down.

**Mr. Sargent:** Either one. Based on flying hours, and this is very important to all of us—

**An hon. member:** What flying hours are those?

**Mr. Sargent:** I am coming in for a landing in just a minute. Based on flying 500 hours a year, which is not much, this will be costing the taxpayers \$4,000 an hour in interest alone.

**Mr. Speaker:** Does the member have a question?

**Mr. Sargent:** I am coming up with the question right now.

**Mr. Speaker:** Let us have it.

**Mr. Sargent:** It will cost \$4,000 an hour to fly it. I ask the minister, with hundreds of thousands of fathers getting up every morning with no jobs to go to, is this not a bit much?

**Hon. Mr. Pope:** Mr. Speaker, I would like to thank the honourable member for his question. Unfortunately, the facts he has laid before the members of the House are not accurate, nor are his cost estimates accurate.

If he goes back and reads the article that appeared, I think in the Toronto Star, with respect to what was included in the interior of the plane, he will see that it was describing an order made by some other individual in some other country. It was trying to compare that with what was going to be put into this jet. There is no comparison. The member knows there is none. He knows that what we are doing is adapting that jet for other purposes, including executive travel.

**An hon. member:** Oh, oh!

**Hon. Mr. Pope:** What does the member mean, "Oh"?

**Mr. Speaker:** Ignore the interjections, please.

**Hon. Mr. Pope:** What does he mean by "Oh"? Has he been down there? Does he know what is happening? I just told him there are no floor-length mirrors or any of that other nonsense. He knows there is not. Why does he perpetuate that untruth? That is what he is doing. Why does he perpetuate it? It is not 500 hours a year. It is not \$4,000 an hour in operating costs. Why does he not lay out the true facts of it?

The truth of the matter is this jet is required for executive travel. It is required the same way as our toll-free phone system is and the same way as our blue pages are to allow the government to communicate with the people of the north.

**Mr. Ruston:** What about the airports?

**Hon. Mr. Pope:** Let us get into that. He knows, although he has never said it, that it makes the government of Ontario available to every riding in northern Ontario through its ability to land at airports that service every riding in northern Ontario.

**Mr. Breithaupt:** It's a waste of public money.

**Mr. Ruston:** It's a waste of money and you know it.

**Hon. Mr. Pope:** Yes, it can. The member does not know that. He has not taken the time to find



out. He does not know what he is talking about because he never took the time to find out.

**Mr. Bradley:** Why don't you ask Mickey Hennessy about it?

Interjections.

**Hon. Mr. Pope:** Sit down and keep quiet.

**Mr. Speaker:** Order. Will the minister resume his seat, please?

**Mr. Bradley:** Ask Mickey Hennessy.

**Mr. Breithaupt:** It's a waste of public money.

**Mr. Wrye:** You guys don't know any more.

**Mr. Havrot:** Why don't you look at your federal counterparts with 12 jets?

**Mr. Speaker:** Will the member for Timiskaming please contain himself?

3 p.m.

**Mr. R. F. Johnston:** Somebody touched a nerve.

**Mr. Speaker:** Order. It is really interesting to see the amount of interest taken by all honourable members in these topics, but I must remind members that we are listening to a question from the member for Grey-Bruce, and he is the only one entitled to ask a question when I recognize him.

**Mr. Sargent:** Mr. Speaker, you are doing a good job. In view of the fact the figures I have given are by authorities in the aviation business, and this does not include—

Interjections.

**Mr. Speaker:** Order. The question is being directed to a specific minister and I would like to hear, and perhaps the minister would too, what the question is.

**Mr. Sargent:** The minister doubts my figures, but this does not include salaries for the air crew in his ministry, aircraft fuel, a ground crew, maintenance, storage, insurance or the repayment of capital of \$10 million or \$12 million. Those costs are not involved.

Even if the Premier were to fly to his condominium in Florida every week and back for 52 weeks, we would have only 300 hours a year, so we are looking at a cost of \$7,000 an hour. That is \$7,000 an hour to fly it. Only 25 per cent of the airports in Ontario will handle this jet. Is the minister going to give us funds to lengthen the airfields in Ontario?

**Mr. R. F. Johnston:** First, Owen Sound.

**Mr. Sargent:** What about Owen Sound?

**Hon. Mr. Pope:** Mr. Speaker, the honourable member did not even know that the plane lands

in Wiarton in his own riding. Why did he not even know that? He did not even read the list. He did not even know it lands in Red Lake Terrace Bay, Geraldton. He did not even know it lands in Fort Frances. He did not even know it lands in Kenora.

He did not even know it lands in Dryden. He did not even know it lands in Thunder Bay. He did not know it lands in Kapuskasing. He did not know it lands in Gore Bay on Manitoulin Island. He did not know it lands in Sudbury. He did not know it lands in Timmins. He did not know anything about it.

He just stood up and arbitrarily selected figures to try to make his argument. He cannot make it. Using his logic, we would have no aircraft, no crews for any kind of travel in the province using government employees. He should not lay that one on me.

**Mr. Roy:** Ah, sit down. You're embarrassed.

**Hon. Mr. Pope:** Another thing—that toilet seat that he just presented, those members must walk through it every day.

**Mr. Cooke:** Mr. Speaker, does the minister agree that not only is the \$10 million jet a waste of public funds, but when Marc MacGuigan, Eugene Whelan and Herb Gray, federal cabinet ministers in my area, come into Windsor with three jets that is also a waste of money?

**Mr. Speaker:** Order. That is not a supplementary. New question, the member for Downsview.

**Mr. Di Santo:** Mr. Speaker, a final supplementary.

**Mr. Speaker:** No, that was the final supplementary. The member for Etobicoke with a new question.

#### HUDAC WARRANTIES

**Mr. Philip:** Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations as a follow-up to the questions I asked a few days ago about the demise of Coventry Homes that has left a number of people in Vaughan with their homes uncompleted.

Does the minister feel the new home warranty program is operating in an ethical manner when the purchaser's certificate they are required to sign clearly states they understand they are accepting the loan subject to the completion by the vendor of seasonal work and items? But through regulation, which the purchasers are not shown, the Housing and Urban Development Association of Canada home warranty states that unfinished work is not covered;

unfinished work that includes completion of those very homes.

Does the minister feel it operates ethically when advertising leaflets tell purchasers they are covered in the case of bankruptcy but regulations say otherwise? Why does he allow the new home warranty program to make promises to these people and then weasel out through the regulatory process?

**Hon. Mr. Elgie:** Mr. Speaker, the member for Etobicoke and I talked about this in the House some time last week, and he knows that I read to him the very clear statement in the warranty brochure which says the purchaser is responsible for contractual arrangements with the builder and before taking possession should ensure that everything has been completed, is satisfactory and in accordance with the agreement.

I do not want to say, nor does this government wish to say, it is not unfortunate that somebody did not get things completed, or did not have a holdback to make sure they could be completed in the event of some unforeseen event. Certainly that is the way the honourable member would have handled it as a practical, thoughtful person who understands some of the realities of the business world.

The thing that troubles me most is that we have in this province a home warranty program which is about the only one of its kind in North America. There may be some things to criticize about it; there may be some shortfalls that should be corrected some time down the line, but we are talking about a program that has paid out \$11 million since its inception. It is something that no other province has, and no other state, with the exception of a very limited program in New Jersey, which I am told does not come anywhere near this one.

We are fortunate in this province to give protection to deposits and a degree of protection with respect to structural defects in building. Nobody else has it. There may be some things that the member thinks should be added, but I must say that nobody has been deceived. I do not say that to be argumentative about it, but just as a fact of life.

**3:11 p.m.**

## INTRODUCTION OF BILLS

### RIDEAU CENTRE MORTGAGE FINANCING ACT

Hon. Mr. Sterling moved, seconded by Hon. Mr. McCaffrey, first reading of Bill 105, An Act

respecting the Mortgage Financing of Rideau Centre in the city of Ottawa.

Motion agreed to.

## LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Breagh moved, seconded by Mr. McClellan, first reading of Bill 106, An Act to amend the Legislative Assembly Act.

Motion agreed to.

**Mr. Breagh:** Mr. Speaker, the purpose of the bill is to prevent persons from bringing firearms into the chamber without the Speaker's authorization. It is in direct response to a bill successfully carried in the general assembly of Kentucky, which has approved permitting members to carry concealed handguns in the chamber during debate.

## ONTARIO FRENCH LANGUAGE SERVICES ACT

Mr. Roy moved, seconded by Mr. Van Horne, first reading of Bill 107, An Act respecting French Language Services in Ontario.

Motion agreed to.

**Mr. Roy:** Mr. Speaker, you will recall that some time ago, in 1978, this bill received the approval of all members of the Legislature. I look across the House this afternoon at my colleague, the government House leader, who spoke in full support of this bill. It was approved unanimously by the Legislature without any objection and then unfortunately was vetoed by the Premier (Mr. Davis) a few minutes later.

The necessity for the bill still exists. I am introducing it another time. I hope the members of the House, including the members of the government side, will understand that the necessity for the bill is still there and will convince their leader to accept the bill.

Monsieur le président, je voudrais dire tout simplement que ce projet de loi qui a été présenté à différentes reprises, pour la troisième fois maintenant, avait reçu l'appui unanime des membres présents ici à la Législature, mais malheureusement avait été arrêté par un veto imposé par le Premier ministre de la province en 1978.

La nécessité du projet de loi est encore importante, c'est encore nécessaire. J'ai l'espoir, à force de représenter cette législation, que finalement le gouvernement va réaliser l'importance et va accepter le principe de cette législation. Merci.



## ONTARIO NEW HOME WARRANTIES PLAN AMENDMENT ACT

Mr. Philip moved, seconded by Mr. Swart, first reading of Bill 108, An Act to amend the Ontario New Home Warranties Plan Act.

Motion agreed to.

**Mr. Philip:** Mr. Speaker, it is too bad that this bill had not been passed by the government. Perhaps the people who have lost so much money through Coventry Homes would not be in the position they are in today.

Contrary to the information just given by the minister in the House, in which he stated that a holdback is possible, in fact, a holdback would simply mean that a builder can sue the purchaser of the house. This bill would entitle the new home purchaser to hold back up to \$3,000 from the purchase price of a home to cover unfinished work. It provides that the home warranty program will conciliate any dispute between owner and vendor with respect to the completion of the work on the home and the disbursement of the holdback, under subsection 1 of the bill.

## ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I would like to table the answers to questions 109, 110, 114, 116, 121, 122 and 123 on the Notice Paper [see Hansard for Friday, May 14].

## ORDERS OF THE DAY

### PRIVATE MEMBERS' PUBLIC BUSINESS

#### ONTARIO LOTTERY CORP.

Mr. Edighoffer moved, seconded by Mr. Mancini, resolution 17:

That this House, in view of (1) the present extreme economic stress suffered by residents of Ontario; (2) the recommendation with respect to the Ontario Lottery Corp. contained in the third report of the standing committee on procedural affairs; (3) the fact that the lotteries branch of the Ministry of Consumer and Commercial Relations was set up to license nongovernment lotteries and social gaming events; and (4) the government's efforts to increase private funding for arts, cultural and recreational activities, directs the government to place a moratorium on the operations of the Ontario Lottery Corp. and to allow the lotteries branch of the Ministry of Consumer and Commercial Relations to fulfil its intended mandate.

**Mr. Speaker:** I would like to remind the honourable member that he has up to 20 minutes for his presentation. He may reserve any portion of that time for his windup.

**3:20 p.m.**

**Mr. Edighoffer:** Mr. Speaker, this is Thursday, and Thursday night is coming up. This, of course, may be a little different from many Thursdays, particularly with the budget before us tonight.

Just to set the stage for this discussion I would like to refer to an article in the Financial Post Magazine of April 15, 1981, entitled Lotteries are a Billion-dollar Business and Government Holds the Winning Ticket. I think it sets the stage. It starts out: "If you're lucky, we want to hear about it—get excited, jump up and shriek out," a bouncy blond urges the anxious crowd in a high school auditorium, as TV cameras whirr, applause signs flash, music swells and the co-hosts step on stage to raise the tension.

"Behind them, pairs of plexiglass hemispheres rotate atop six robot-like machines, bouncing numbered balls about inside. A member of the audience presses a remote control button, releasing a ball at random from the base of each sphere. Gasps of anticipation fill the air as the numbered balls are held up one by one for all to see. Sweaty palms unclench slips of paper in hopes that the improbable has happened."

The main thrust of my resolution is a request directing the government to place a moratorium on the operations of the Ontario Lottery Corp. When I say moratorium, I do not mean a suspension of all activity, but a suspension of any further activity. I have given a number of reasons in my resolution, and I have chosen them at random as there are many more that I hope many members will, when participating in this debate, put forward and express openly.

One of the main reasons I placed this resolution before the House today is because of the present extreme economic pressures on residents of Ontario. This is borne out by the recent report of the Conference Board of Canada, which released its findings and stated, "High interest rates and falling consumer demand will plunge the economies of Ontario, Quebec, British Columbia and New Brunswick into a slump unmatched in the last two decades."

There will be a tremendous lack of disposable income by many individuals. If the Ontario Lottery Corp. is allowed to continue its quest for a larger share of that disposable income, I can see a continuing extensive list of bankruptcies. As I drive back and forth from Toronto to my



some, I sometimes feel bombarded with advertising asking me to take a chance on provincial lotteries. Most recently, of course, I have to contend with Snowballs in the good old summertime.

I looked very carefully at the last report of the Ontario Lottery Corp., which I believe takes us up to March 31, 1981, and noticed on page 13 of that report 26 smiling faces. These belong to people holding their cheques, which range from \$100,000 up to \$1,907,450. Of course, I see the minister's picture in there and he is smiling as usual. It is most interesting to see on page 10 of that report that lottery sales have grown from \$97 million in the first year of operation to \$490 million at the end of March 1981. Combined ticket sales of Wintario, Lottario, the Provincial and Super Loto amounted to approximately half a billion dollars, which means there was a dramatic increase of 51 per cent in the last year; that is in the increased amount spent on lottery tickets.

The advertising is increasing because the lottery corporation would not want the spoils of its endeavours to decrease. If the same pattern of increase continues, I feel that a lot of that disposable income, which is depressed now, will be less in the years to come to assist many Ontario businesses.

It is interesting as one looks through this report, particularly at the first page, that we have a report from the chairman and we have a report from the president. If one looks closely at those comments written by those two people, I notice that the chairman of the board stated, "We at the corporation are dedicated to providing the most efficient and creative lotteries anywhere, based on the highest degree of integrity."

Then the president, Mr. Morris, in his comments stated: "The corporation's performance on behalf of Ontario residents may be directly attributed to the skills and energies of the board of directors, staff, distributors and retailers throughout the province. Their collective strength has built an operation known for its integrity, efficiency and creativity."

I naturally do not really disagree with the words, "integrity and efficiency," but I sort of wonder about the word "creativity" in those comments. I certainly hope the corporation will not continue to be excessively creative and soon make certain that provincial lotteries will be operated only by the corporation in a monopoly situation.

I would like to quote briefly from an article

that was in the Canadian Consumer. This goes back to 1978, because I think we have to see what has really taken place over the few years. It states:

"The most sophisticated advertising techniques going are in use here. It's certainly no accident that many of the tickets have the same dimensions, similar engravings and official signatures as a dollar bill. In addition, winners are required to lend their names to glowing testimonials filled with exclamations on the joys of being a winner. It's one thing for governments to recognize that people like to gamble and to organize lotteries to accommodate that urge. But it's quite another thing to feverishly whip up that urge with complex gimmicks and lavish advertising."

It then goes on to state: "Lotteries don't engender the desperation and obsessiveness so often equated with the casino but they're still far from a good investment. Like so many products of dubious value that sell well, they depend on hype and clever, unceasing advertising. There was a time when governments attempted to protect the gullible but now they exploit them."

That was 1978. I want to go back three more years, back to January 30, 1975, Hansard, page 7014. This records the opening remarks of the then Minister of Culture and Recreation, now the Minister of Energy (Mr. Welch), on introducing the legislation establishing the Ontario Lottery Corp.:

"Mr. Speaker, later today I will introduce legislation to establish the Ontario Lottery Corp. as a crown agency to develop and manage a provincial lottery in Ontario. In creating a crown corporation to manage this lottery we are taking advantage of the experience of other jurisdictions.

"The net proceeds from the lottery will be used by the government to support programs for physical fitness, sports, recreation and culture in Ontario. The corporation will determine the price of tickets, sales arrangements, size of the prizes and frequency of the draws."

**3:30 p.m.**

We will miss some of his comments and just go on and quote:

"To achieve these financial objectives and to ensure that we retain as much as possible of the proceeds for public use, we intend, among other things, to keep the corporation small in order to hold down overhead costs . . .

"Many social, cultural, religious and charitable organizations in the province have also made lotteries a source of funds for their



important work. These will continue, of course, under the supervision of the Ministry of Consumer and Commercial Relations, and I am satisfied that the Provincial lottery will not interfere with their efforts."

That was in 1975; and now the minister has changed, of course. I was alarmed last year to see a number of newspaper accounts and headlines, such as *Charity Officials Surprised by Idea to Replace Lotteries with Foundation*, *Cabinet Asked to Rule on Future of Charitable Lotteries*, or *Is Queen's Park Smelling Too Much Success in Lotteries?* And just a month or two ago, *Two Charitable Lotteries Allowed to Operate Until End of 1982*. I would like to refer to those a little later in my remarks.

A couple of years ago, the standing committee on procedural affairs, which is charged with reviewing agencies, boards and commissions, reviewed the Ontario Lottery Corp., and I believe it is important I place on the record some of its recommendations.

"The committee in reviewing the lottery corporation was struck by the fact that the corporation in pursuing its goal of maximizing revenues may have gone beyond the initial purpose of the corporation, which was to provide an Ontario alternative to foreign and other Canadian lotteries. The latter, it was feared, would draw money away from Ontario for the benefit of other jurisdictions. A lottery game in Ontario, it was believed, would end that drain.

"In a sense the Ontario Lottery Corp. had a defensive purpose. The committee has the strong impression that the defensive posture has been exchanged for an offensive one. In pursuing its aggressive market strategy, the corporation naturally places emphasis on advertising the entertainment values of its games in order to make the participation by consumers as pleasurable as possible.

"The committee is of the opinion that this type of aggressive marketing may instil socially detrimental values in the lottery corporation's players. The committee frankly wonders whether the corporation is not subtly promoting a gambling ethic, and raises the question of whether governments should be participants to such promotion."

Recommendation 5 follows: "That the lottery corporation review its aggressive marketing policy to determine whether it is in the public interest, that once this review has been completed, the Ministry of Culture and Recreation table the review in the Legislature.

"At the same time, the committee seriously

questions whether the lottery corporation should in the future contemplate the addition of other lottery games, including daily games.

"It is, therefore, recommended:

"6. That the lottery corporation place a moratorium on the proliferation of its lottery games."

I believe this report was discussed in the Legislature on three different occasions but it never came to a vote. It is hoped this resolution today will give the members of the House the opportunity to vote on at least a couple of the recommendations I mentioned.

I have done a lot of reading of reports on lotteries in other countries, Britain in particular and it is most interesting to note that in 1978 it had a royal commission on gambling. The commission's report was tabled in the House of Commons at Westminster. I appreciate that legalized gambling is quite different there and takes place in many forms in Britain. It commenced many centuries ago. However, it was felt it was time to inquire into the existing laws and practices relating to betting, gaming, lotteries and prize competitions. Because of the extent and diversified types of gaming, it took about two years to complete and it cost them about 600,000 pounds.

A very lengthy section was devoted to lotteries, as state lotteries have a long history in Britain, extending back as far as 1569. Because of the great proliferation of lotteries, the commission made many recommendations and suggested that if the present system were to be reformed, the three main matters to be dealt with were prevention of commercial exploitation, improved control of lotteries and control of lottery tickets.

At the same time, the royal commission made a survey of state-controlled lotteries in other countries. It is interesting that they came up with similar recommendations. Their second recommendation was that "large lotteries are socially harmless provided they are restricted to systems that do not encourage excessive participation."

I know it is easy to say one cannot compare Britain to Ontario, but it is interesting that some of their recommendations were very similar to our procedural affairs committee's recommendations. Two recommendations that were similar were the ones that stated we must have prevention of commercial exploitation and must not encourage excessive participation.

Mr. Speaker, I guess my time is winding down. I had wanted to make reference to some

Comments by the Premier (Mr. Davis) and by the chairman of the Ontario Arts Council, particularly when he was out speaking earlier this year, suggesting that we should have more active participation and fund-raising for many of these functions by people in general.

It seems strange that up to a year ago the government of Ontario, in the form of the Ontario Lottery Corp., asked the people of Ontario to spend, in one year, \$500 million to make a profit of \$150 million to give back to the taxpayers, and then asked them to continue to support all of the community projects over again.

Earlier, I referred to some press reports. I guess I do not have time to go into these, but I noticed that in August 1981 there was an article which seemed to imply there was some sort of feud between the then Minister of Culture and Recreation and the then Minister of Consumer and Commercial Relations, now the Minister of Industry and Trade (Mr. Walker), on the right of operating province-wide—

**The Deputy Speaker:** One minute.

**Mr. Edighoffer:** I was glad to see, of course, that the former, who is now Minister of Tourism and Recreation (Mr. Baetz), has given in and that those charitable lotteries are able to operate until the end of 1982. I fear that this battle is probably still brewing and has just been put on the back burner for a few more months.

In closing, I will refer to one article from the Kitchener-Waterloo Record: "Ontario's Minister of Culture and Recreation recently announced that the five charities which raised funds through the Pot O' Gold and Cash for Life lotteries will have to get out of the lottery business by the end of 1982."

**The Deputy Speaker:** Time.

**Mr. Edighoffer:** I am glad to hear that.

It does state in here that it is too bad the public did not have an opportunity to debate this item. So I am glad to be able to present this resolution so that all members can debate it. I hope they will all support it.

3:40 p.m.

**Mr. Breaugh:** Mr. Speaker, I rise to support the resolution that is before the House.

Interjection.

**Mr. Breaugh:** Albert, I do not mind your being here Thursday, and you can speak if you want, but let's do it in rotation.

**Mr. Roy:** Are you bothered? Because the

people in Oshawa can hear you if you keep up that tone.

**The Deputy Speaker:** Order.

**Mr. Breaugh:** I think maybe once a week is enough, fellows. Just bring him in on Tuesday; Thursday is a day too much.

Interjections.

**Mr. Breaugh:** I could provide that service to the honourable members here to keep you away.

Mr. Speaker, I support the resolution, as I did when it went before the standing committee on procedural affairs. It speaks to a problem that people in Ontario are having with the proliferation of lotteries. It also speaks to a growing trend that this government is perpetuating; it is very slowly, very surely but very methodically ingraining in our cultural fabric the concept that lotteries are not just an acceptable thing but a very good, very positive force.

It is certainly an unusual thing for a government that from time to time gets a bit prudish around the edges to have such a substantial marketing operation as the Ontario Lottery Corp. working away to convince more and more people that they ought to participate in what is known in other quarters as the numbers racket.

When one begins to look at the impact it is having, one really notices how far it has come from its original intention, which was fairly clearly stated in the mid-1970s when the Ontario Lottery Corp. was founded.

The government was moving to solve what it saw as a problem, which was that a considerable amount of revenue was leaving Ontario through lotteries that were virtually uncontrolled and unregulated; there was always a question as to how legal they really were. The government then said: "It is rather a defensive gesture. We will move in to provide that kind of lottery. If people want to buy lottery tickets, we will do that; and we will run it to see that it is done properly, that there is no hanky-panky and that the prizes are awarded." It seemed to be a kind of rationalization for why they would get in there.

It was unusual to note when this lottery corporation came before the procedural affairs committee how far away from that mark the corporation had taken its job. In fact, if we had a lot of crown corporations that were as effective as the lottery corporation is at expanding its mandate and doing its job, we might all be very happy. But this crown corporation does not come to the House and ask: "Do we really need



two or three more lotteries? Do we need to change our lotteries?" No, they have done that as a matter of course.

This crown corporation tested the market with samples of the citizenry to find out what it would take to get people to buy more lottery tickets: "Do you need bigger prizes? Do you need more prizes? Do you need more advertising? Do you have local draws for them?" I suppose most members by now have had a chance to see the lottery corporation go into a community and do the kind of promotional work it does for these draws, filling up the local high school auditorium and putting on a television production. They probably have seen also that this is verging on Ontario's version of a Las Vegas production, because the purpose of the exercise is to publicize the lotteries and, quite simply, to get people to participate more and more. They have done that in a million and one ways with newspaper ads and promotional spots on radio and television. One can go to the corner milk store, and the lottery corporation is there in business; its little machines are humming.

The purpose of this exercise clearly is to take the numbers racket from number four as a source of revenue, where I believe it is now, crowding closely behind the sale of booze in this province, and bump it up the list a bit.

When one begins to do a casual survey of how much more gambling is going on by levels of government or what they have in mind, one very quickly finds that the federal government has a nice little scheme bubbling along there too. They want to take the numbers racket in a slightly different form and have sports betting. It is all very legal and squeaky clean, but there are people in my community who get booked for that very same activity pretty regularly and are put away in jail. How is it that the federal government can do that and it is okay, but some poor guy who is making a little book on the side in a south-end tavern gets nailed for this kind of stuff?

I do not think it does depend on who is running the game. When one looks at intertrack betting, which is another concept that is being proposed so that people could go to one race track and phone in bets to other race tracks, one gets some idea that this old blue prude that is running the show in Ontario may be not such a prude after all. He is very hot and heavy into the numbers racket. He likes all kinds of betting activities. He gains a great deal of revenue out of them.

The government spends more money advertising betting activities, for example, than it does advertising how to get assistance with the Ontario health insurance plan premiums. It markets very aggressively there. We thought in that committee, and this resolution speaks to again this afternoon, that we ought to call a halt to this for a little while, to stop and examine it.

Does the government really want to be the major numbers racket game in North America? It appears it is well on the road to being that. If that is a conscious decision the government wants to make, then I believe the minister should simply stand up in this House and say "We have decided we do not like other forms of taxation. Let's go into the numbers racket whole hog. Let's do away with income tax. Let's just have people gamble their money away. Let's do that."

If that is the purpose of the exercise, then it is only fair that the government should make a conscious public policy decision, table a white paper or a green paper or whatever in here and let us have that debate. But let us not slide into that through the back door.

More and more of us are beginning to realize that we now have at both ends of the system a heavy dependence on gambling, which came about because this government decided that is what it wanted to do, a heavy dependence on that as a source of revenue for the government. When one looks at cultural activities, sports activities and now research activities, as the procedural affairs committee did, one begins to see it uses that gambling money very nicely in the community to go around and make itself look good.

We were questioning in the committee, for example, exactly how it is the government decides who gets what money. We found that unlike the rules for some Wintario grants, the rules for some of the other lotteries are not quite as well known. It became clear to the committee in our little review that the reason the rules are not well known is that there were no rules.

The cabinet used to meet, and the minister would sit around the cabinet table and make proposals, such as "I would like a chunk of that money for this" and "I would like some for that." So we found wineries and people in the meat business getting money out of the gambling revenue.

Maybe that is fair, and maybe that is what the government wants to do—it did it anyway—but at least we should have had the courtesy of being able to find out exactly how the govern-

ment sets up the regulations for awarding those grants. Just who gets them? And it should be done publicly.

Subsequent to the committee's report and the discussions that ensued, there was some setting in place of regulations; and it seems that at least some order has been brought into that.

This resolution goes to the heart of the matter. If the government is heavily committed to the numbers racket today in its present form, why will it stop there? Why will the lottery corporation stop there?

An interesting discussion was begun in the committee about having to have a ticket, but that promptly led into another interesting discourse on how to play a certain kind of game. As long as, in playing the game, one came up with a ticket at the end of it, it was therefore a lottery. I see very little difference between that and a crap game in an alley. I do not care how one plays the game; it is still a game, it is played for gambling purposes and, whether one throws the dice up against the wall or gets a ticket in one's hand at the local milk store, it is gambling. This government has promoted that very actively through its crown corporation, the Ontario Lottery Corp.

All members here would appreciate the opportunity to have the government and its lottery corporation call a halt to it and let us rethink the process. If the government, as a policy matter, then wants to expand into other forms of gambling, to expand the scope of gambling operations in Ontario, to expand the gambling ethic, to make gambling the sole source of revenue, then let it say so. Let it simply make that its policy. Let us, as opposition members, analyse how it is going through that process. It is our concern and it is my concern—

**Mr. McClellan:** There could be a minister of gambling. The Minister of Tourism and Recreation could be the first one.

**Mr. Breagh:** We do have a minister of the numbers racket in Ontario. We do not call him that, but a rose by any other name smells as sweet. I do not think this is quite like a rose. Calling it another name and assuring us it is squeaky clean does not do anything at all to change the circumstances—

**The Deputy Speaker:** Thirty seconds. I am sorry. I missed your time.

**Mr. Breagh:** I wish you would stay awake, Mr. Speaker.

**The Deputy Speaker:** I was so enthralled with your speech.

**Mr. Breagh:** I thought so.

In summary, I support the resolution because it ought to make the government take a conscious act if it wants to expand its operations in the gambling field. That is all the resolution calls for, and it seems to me that is quite a rational, logical thing for the government to do.

**3:50 p.m.**

**Mr. Andrewes:** Mr. Speaker, so there is no doubt as to where the government stands regarding the operation of the Ontario Lottery Corp., I should probably state at the very beginning that we will not be supporting this resolution.

Although I wish to briefly add why we have taken this position, I hope I can change the honourable member's view and impress on him the dramatic contribution that the Ontario Lottery Corp. is making to communities throughout the province, many of which are in the member's own riding.

**Mr. Kerrio:** Is this private members' hour, or what?

**The Deputy Speaker:** Yes, it is.

**Mr. Andrewes:** I want to tell one story. The member for Perth (Mr. Edighoffer) referred to the—

**Mr. Samis:** Mr. Speaker, on a point of order: Could I ask you, on this important matter, if you would check whether we have a quorum?

Mr. Speaker ordered the bells to be rung.

**3:33 p.m.**

**Mr. Speaker:** The table instructs me that we have a quorum.

**Mr. Andrews:** The member for Perth began by telling us about bouncing blonds, bouncing balls and so on. I was rather fortunate one night not so long ago to return home after a long day in the constituency and to turn on the television and see one of these demonstrations. Lo and behold, this program was being televised from the community of Amherstburg with which the member for Essex South (Mr. Mancini) would be quite familiar. Who should I see among all the bouncing blonds and bouncing balls but that member, without his moustache, enjoying, participating and sharing in the enthusiasm of his constituents for that event.

I sense that the member for Perth has misunderstood the recommendations contained in the third report of the standing committee on procedural affairs dealing with the Ontario Lottery Corp. Members are aware that the



resolution we are debating today directs the government to place a moratorium on the operations of the lottery corporation partly as a result of the recommendations of the aforementioned standing committee.

To correct the record, I should point out that the third report of the standing committee on procedural affairs contained only the following passage:

"The committee seriously questions whether the lottery corporation should in the future contemplate the addition of other lottery games, including daily games.

"It is, therefore, recommended:

"6. That the lottery corporation place a moratorium on the proliferation of its lottery games."

I dare say this recommendation hardly represents a suggestion that the government place a moratorium on the operations of the Ontario Lottery Corp. per se. I suggest to my friend the member for Perth that this quantum leap in constrained logic is extraordinary even for a member of that party.

I want to move on to another passage in the member's resolution where he suggests that a moratorium should be placed on the operation of the lottery corporation because of the present extreme economic stress suffered by residents of Ontario. Without ignoring the current economic challenges that confront citizens of the province and the entire nation, I wish to address that passage with these two comments.

First, I assume my friend is suggesting that the government should not be offering individuals a lottery game while personal incomes are depressed and household necessities are increasing in price. My only problem with this is that I question that anyone is forcing anyone to buy a lottery ticket. Using the member's logic, the government should also place a moratorium on companies that sell caviare, Rolls-Royces and mink coats, or those institutions that are the purveyors of some of the other pleasurable but probably unnecessary things of his life.

The member for Perth alluded to the 1978 United Kingdom study on lotteries which recommended—

**Mr. Elston:** Did you write this yourself?

**Mr. Ruston:** No, he didn't write it.

**Mr. Bradley:** It's the hucksterism in the advertising.

**Mr. Andrewes:** I want to remind the member that study recommended that only the state should be operating state-wide lotteries and that

private lotteries should not be allowed, except for local bingo and casino nights and that type of thing. I thank the member for drawing attention to that study.

**4 p.m.**

My second area of disagreement with passage of this emanates from the positive, constructive side of lottery operations. Naturally, I suspect that every big winner in a lottery would take serious exception to the member's resolution. Furthermore, a recent survey reports that 82.5 per cent of responding lottery winners indicated they banked their winnings or invested them in securities, bonds or short-term notes.

That is, a vast majority of successful participants are using their winnings to protect themselves from the same economic uncertainties the member would use as an excuse to pull the plug on the lottery operation. As an afterthought, I should also report that almost 94 per cent of lottery winners did not quit their jobs and did not report a dramatic change in their lifestyles.

**Mr. Bradley:** You are going to need a lottery to pay for the jet; call it Jetario. I am going to leave this den of sin.

**Mr. Andrewes:** The member for St. Catharines is excused.

The biggest winner in these lotteries is the province itself. Since my learned colleague the member for Parry Sound (Mr Eves) will be dealing with this area in detail, I will only say that the Ontario Lottery Corp. has made an extraordinary contribution to almost every community in Ontario. Whether they are assisting in the construction of arenas, community centres, whatever, or simply buying the uniforms for a marching band, lotteries are a commodity in this province where the profits accrue to the citizens. I think we should be proud of that.

I wish to say a couple of words about the operation of the Ontario Lottery Corp. It is truly a remarkably efficient organization with a superb record of public relations and financial integrity. Would the members not agree?

Many members may be interested to know that Quebec's lottery corporation has as many people working in its data centre as the Ontario Lottery Corp. has working in total. The Ontario corporation spends only 6.2 per cent of its sales dollar on overhead, including advertising. This figure is more than doubled in the case of the federal corporation.

Finally, and of equal interest, the Ontario Lottery Corp. earned more than \$1 million

profit per employee last year, underlining the attractiveness of the business it is in, and thus emphasizing the need for an honest and up-front approach in servicing this demand.

In conclusion, I will reassert my claim that this resolution has been ill-conceived and poorly focused. We should support the lottery corporation at this time and clearly establish that this House endorses the immense assistance the lottery earnings have been to communities in Ontario, as most members of this chamber would attest.

I would remind the member for Perth, I wonder if residents of that great constituency of Perth who have received more than \$5 million in Wintario grants during the last four years—the eighth highest among all ridings in the province—would question the attempt by that member opposite to undermine the fine efforts of the Ontario Lottery Corp.

**Mr. Mancini:** Mr. Speaker, I rise to support the resolution introduced by my colleague the member for Perth. I would like to get into some of the details concerning this resolution but, before I do, there are a couple of items I would like to put on the record.

Since this is known as private members' hour, I am somewhat offended by the member for Lincoln (Mr. Andrewes) rising in his place as a private member and informing the House that he was going to give us the government view of this private member's bill, and that the government view was that they were going to vote against this bill.

Once and for all it is officially on the record that this government has absolutely no respect for the private members' hour and wish to scuttle it. They have been trying to undermine the whole system since March 19 of last year. That March 19 was quite a gamble: certainly the people of Ontario can see now that they lost.

Further, the member for Lincoln evidently did not go over the resolution. How can he stand in his place and say that the member for Perth has in any way undermined the availability of Wintario funds for his riding by asking, not that there be a reduction in lotteries but that there be a moratorium on the introduction of more lotteries into the system?

How that could offend the present process is beyond me. That, in my view, was an attempt to skirt the issue, to put fear into community groups across the province, by telling them that if we say, in any way whatsoever, that we do not agree 100 per cent with what the lottery corporation is doing, they are going to make sure,

through the political system, that our members are punished and therefore those people will be punished. Shame on the member for that implication.

The member went on to leave the impression that everybody in Ontario is in love with the lotteries and the way they are being handled. As a member of this House, I have received correspondence and phone calls and questions from constituents. I would like to refer to only two of them.

I received correspondence from a Miss Gwen Overholt of Amherstburg, whose concern was that the lotteries branch of the Ministry of Consumer and Commercial Relations was leaning towards allowing big-time casino gambling in Ontario, to be run by the province, or by municipalities or by community groups. We all know what is associated with big-time casino gambling and we certainly do not want to see any of that here in Ontario.

I also received a letter from the chairman of the Outreach Committee of the Wesley United Church in Amherstburg, which I would like to place on the record. It reads:

"Dear Mr. Mancini:

"As you are probably aware, the United Church of Canada is one of the number of churches concerned about the ever increasing promotion of lotteries by governments, both federal and provincial, as a means of raising money for various purposes.

"While it seems harmless enough to say that those who buy lottery tickets do so voluntarily, still it is obvious from the increasingly large amounts being spent by the public, that aggressive advertising produces a subtle predisposition, a 'softening up' as it were, to indulge in a form of gambling, hopefully to win a lot of money in return for a small investment.

"The churches are mainly concerned because it is largely the 'have nots' of society, the dispossessed, the unemployed, the retired, the disabled, those least able to afford loss, who make up the largest proportion of the population, who succumb to the lure of 'Win a fortune at one fell swoop, by one lucky chance.'

"Those who have money don't desperately crave it, so naturally the wealthy don't need to gamble on so poor a risk as a lottery, where thousands lose compared to the one who wins.

"It is the poor who are the most gullible, most susceptible to manipulative, aggressive advertising propaganda. With the glittering glamour show put on by TV and the media, an aura of false excitement and adventure is created, beck-



oning those least able to afford loss to take just one more chance. Yet statistics prove that as gambling fever accelerates, society becomes impoverished.

**4:10 p.m.**

"Lotteries denigrate the virtue of money earned as the reward for honest toil and effort. Advertising creates an appetite for gambling, and this is why we think it is advisable that governments should now take stock of the escalating trend towards increased gambling with its attendant adverse consequences. Advertising creates false hope. The catchy slogan is always 'Get your lucky ticket here,' never, 'Throw away your hard-earned money on a one-in-a-million chance of drawing the winning number.' With less emphasis on being productive members of society, citizens come to rely more on blind luck to win money, instead of earning it.

"The myth perpetuated by lotteries and other types of gambling is that a large sum of money equates with happiness. Not necessarily so. Prizewinners often find themselves besieged by racketeers, by con agents wanting them to endorse a product, or to invest in a get-rich-quick scheme or they may become prey to kidnappers and held for ransom.

"While it is true that a substantial portion of money obtained through lotteries does go back into the public purse through the support of charities or commendable and worthwhile projects, yet for the government to promote lotteries as a source of revenue establishes in the long run an uncertain and unstable power base.

"Recently the Outreach Committee of the Wesley United Church viewed the film, *Lotomania*, made by the National Film Board of Canada, showing the ever-growing popularity and acceptance of government-sponsored lotteries. With the ratio of winning so low, we feel this promotion of lotteries is not in the best interests of society in general.

"We would ask that you kindly bring this matter to the attention of the cabinet ministers responsible, in order that they may reconsider the consequences of the present policy of promoting lotteries in order to raise money."

This is signed by Robert E. Honor, chairman of the Outreach Committee of the Wesley United Church.

I took the opportunity to read that letter into the record for two reasons: one, because the minister responsible for lotteries is here in the House and I wanted him to hear firsthand what some of my constituents were saying; second,

because in many ways, it endorses the resolution put forward by my colleague the member for Perth. We must be careful not to increase the lotteries that are available to the public of Ontario.

The third report on agencies, boards and commissions, which was tabled in this House by the procedural affairs standing committee, a report I signed, concurred with our view that we should not increase the number of lotteries that are available to the public. We stated clearly in recommendation 6 that the lottery corporation place a moratorium on the proliferation of its lottery gains. If that is not clear enough for the member for Lincoln, I do not know how we can spell it out any more clearly.

We went on in that committee to raise some other concerns that I do not have time to address at present. Certainly, the community interest groups across this province have benefited from receiving Wintario funds in order to take on community-type projects and put those projects in place. Those are not our complaints. Our concern is that we have enough lotteries here in Ontario to serve all our needs, and we certainly do not need to increase the number of lotteries in this province.

**Ms. Bryden:** Mr. Speaker, the member for Perth has given us an opportunity to debate the whole government lottery policy. I think that is a good thing because we get so little opportunity to discuss lottery policies in this Legislature and even in estimates committee, since most of these activities are carried on by an arm's-length corporation, a crown corporation called the Ontario Lottery Corp.

Lotteries by whatever name are a form of gambling; I think we all recognize that. You may be interested in some early definitions of gaming or gambling. Cotton's *Compleat Gamester*, which is a book published in 1674, describes gambling as a "paralytical distemper," and "an enchanting witchery gotten between idleness and the greed of gain."

By any name a lottery is a form of gambling. The province went into this field in 1975 because it felt that a good deal of gambling money was leaving the province for lotteries elsewhere. We have to face the fact that people do like to gamble and that if we are not in the field to some extent, all of this money will leave the province. So I think most of us accept the fact that lotteries are here to stay in some form or other.

However, I do share the concern of the member for Oshawa (Mr. Breaugh) and of the procedural affairs committee about the prolif-



eration of lotteries which has been going on, particularly those of the provincial government, and I would support the recommendation of the procedural affairs committee that there be a moratorium on further lotteries being established by the provincial government.

I support the conclusion of the procedural affairs committee that the lotteries being operated by the Ontario Lottery Corp. have "gone beyond the initial purpose of the corporation," and I support the comment of the same committee that the government appears to be "subtly promoting a gambling ethic" in this province.

I am also concerned about the government's use of the distribution of lottery funds for what I consider to be frankly political purposes. I think that by giving out the grants just before elections or by having cabinet ministers give out the grants they are often using lottery grants for political purposes. I do not think I have ever been invited to take part in the distribution of a lottery grant in my riding.

It is time that this Legislature had more say about the criteria under which lottery grants are made. Those criteria have never been submitted to this Legislature. As we know, the Ontario Lottery Corp. Act simply says that the money from Wintario can be used for recreation, sports, fitness and culture. But those terms are very broad and the ministry determines what they mean and what kind of project will be funded; and, of course, it keeps changing the criteria so that people have difficulty knowing exactly what is eligible. Those criteria should be made public on a regular basis; whenever they are changed we should be notified, and the Legislature should have an opportunity to debate those criteria.

I would like to draw to the attention of the House that back in September 1981 I proposed that a legislative committee should look into the whole question of the role of lotteries in our society and the social and economic effect. Now that we have had six years of experience with lotteries in this province it is high time for the appointment of such a committee.

Mr. Speaker, I find it difficult to support this resolution. One of the problems is the exact wording where it asks that the government place a moratorium on the operations of the Ontario Lottery Corp.

**4:20 p.m.**

Webster's defines a moratorium as a suspension of activity, not just no further activity. I do not think we want to move from a system of lotteries operated mainly by the province to a

system of opportunities operated exclusively by the municipalities or by private or nongovernmental organizations, because monopoly by any group is not acceptable.

I know the ministry has been making noises that it would like to have a monopoly in the lottery field. I am certainly not supporting that. I think there is room for some privately operated lotteries of a general province-wide application for the raising of charitable funds in areas not covered by grants from the present Wintario or Provincial lotteries. Such nongovernmental operations must be very strictly regulated. They must be subject to strict controls by the Ministry of Consumer and Commercial Relations.

If one leaves the field of the operation of lotteries entirely to either municipally licensed ones or to provincially licensed but nongovernmental ones, it seems to me one is going to increase greatly the problem of policing and of keeping criminal elements out of the field if there are a great many of those nongovernmental lotteries. One also increases the administrative costs. The more lotteries one has, the more advertising has to be done, the more administrative people have to be paid and the more distributors are needed.

I would oppose a proliferation of lotteries in either category, those operated by the provincial lotteries corporation or those operated under municipal and provincial licensing. That is why I find it difficult to support this resolution. However, I think if we keep both kinds, we want to have some changes in the regulation and operation of lotteries in this province.

I have mentioned that the guidelines for the granting of the moneys should be published by whatever group is operating the lottery and the criteria for the government lotteries should be debated in this House. We might even consider a limitation on the total amount of money taken from the residents of this province for the purpose of lotteries, to keep gambling in perspective and not rely to too great an extent on this source of revenue for various activities, some of which should be supported by the provincial government.

Wintario grants should be extended beyond the recreation and culture field to some social fields, such as senior citizens' aid organizations or organizations that help hospital patients and things of that sort. In the present emergency, with the lack of hospital beds of all kinds particularly in the chronic care field, perhaps some of the provincial lottery money should go to the immediate construction of additional



publicly-operated nursing home beds for chronic care and so on.

There are a number of changes that need to be made in the lottery legislation but I would not support this particular resolution.

**The Deputy Speaker:** Thank you. The member for Parry Sound.

[Applause]

**Mr. Eves:** I have a standing ovation, Mr. Speaker.

**Ms. Fish:** We were sitting.

**Mr. Eves:** Including the member. I would like to briefly develop some of the comments made earlier by my colleague the member for Lincoln regarding the structure and operation of the Ontario Lottery Corp.

Perhaps I should begin by stating that I personally take exception to the resolution as proposed by the member opposite and I cannot, in any good conscience, support it.

As such, I shall use my time this afternoon to outline how the funds generated by the Ontario Lottery Corp. are distributed to worthwhile community projects throughout the province. Moreover, I shall make an attempt to describe how these funds have often been of critical necessity to the groups and associations in receipt of the same.

The government's policy of channelling lottery revenues back into Ontario is something of which this entire House should be proud. We have backed more than 35,000 grants, totalling almost \$450 million, which have been reinvested in social, cultural and recreational projects in Ontario through the Lottario and Wintario lotteries. Furthermore, the proceeds from the Provincial lottery are targetted towards maintaining and supporting the high quality of health and environmental research now being conducted in Ontario.

To date, \$108 million has been generated for these worthy projects, including a recent \$1 million donation to the Terry Fox cancer research fund. Finally, Super Loto, the fourth lottery administered by the Ontario Lottery Corp., directs its proceeds towards capital construction of Ontario hospitals. So far, over \$13 million has been generated in this regard.

These figures are substantial, but they tend to disguise the significant benefits of individual grants to smaller towns and villages throughout Ontario. These four lotteries have funded every conceivable social and recreational project in the province, from the very big to the very small.

A partial list of those affected organizations

would include \$31.5 million to the Toronto Convention Centre; \$14 million to the Royal Ontario Museum; \$10.8 million to the Ottawa Convention Centre; \$10 million to the Sudbury Science Centre; \$4 million to the Hamilton Trade and Arena Complex; \$1.8 million to the Owen Sound Arena. These are only a few of the large, visible projects now under way.

Additionally, there have been tens of thousands of grants to smaller communities which have significantly improved countless community centres and heritage buildings or have simply provided camping equipment for a youth club; like the \$40,000 in repairs to the Welland Curling Club, or the \$847,000 in funding to the Dresden Arena hall, or the \$175,000 contributed to the Gore Bay Arena, or simply the \$11,500 to the Gowanda Curling Club.

In a time of restraint by all governments it is encouraging and refreshing to note that small communities all across this province have a funding source for worthwhile local projects which would not otherwise be possible. This is the mandate which the Ontario Lottery Corp. responsibly carries out, to operate a fair, honest lottery system where the proceeds accrue for the benefit of all Ontario citizens.

I am particularly proud of the fact that in the last four years alone, my constituency has received more than 120 grants totalling almost \$3 million in Wintario funds. As I have mentioned, many of these grants are to communities which would be without the financial means to undertake recreational projects in the absence of lottery proceeds.

Municipalities such as Mattawa, Bonfield, Powassan, Sundridge and Hagerman have all received grants for projects as diverse as the construction of a baseball diamond, the purchase of library books and the funding of museums in community centres.

At the same time, the significant benefits which have been bestowed on the riding of Parry Sound are mirrored everywhere in the province. For example, the constituency of Perth itself has enjoyed assistance from Wintario funds for the repair and construction of arenas in Listowel, Mitchell and Stratford, as well as the Stratford Kiwanis centre.

Moreover, five projects undertaken by the Stratford Shakespearean Festival have received Lottario funding. Of this significant support, I can only say to the member opposite that I respect his decision to proceed with this resolution but I seriously question whether he enjoys the full support of his constituents. I presume

that the member for Perth and all those supporting his resolution will be publicly discouraging projects from receiving Wintario funding or other lottery funding in their own ridings.

**4:30 p.m.**

I was interested to note the comments of the member for Oshawa, who equates the availability of lottery tickets with the purchase of them. This province still believes in the individual's freedom of choice, and no one is forced to buy a lottery ticket of any kind.

The statement of the member for Essex South about a moratorium on the proliferation of lotteries is much different from the wording of the resolution itself, which does not mention the word "proliferation" at all, as my colleague from Beaches-Woodbine pointed out.

"Moratorium" as defined in Webster's New Collegiate Dictionary means, "(1)(a) a legally authorized period of delay in the performance of a legal obligation or the payment of a debt; (b) a waiting period set by an authority; (2) a suspension of activity." It does not refer to further or additional operations, and I would suggest that if the honourable member had intended to include those in his resolution he should have done so, because the way the resolution reads now he is asking for a suspension of the Ontario Lottery Corp.

**Mr. Di Santo:** Mr. Speaker, on a point of order: May I draw your attention to standing order 19(d), which says:

"In debate, a member shall be called to order by the Speaker if he:

"...4. In the opinion of the Speaker, refers at length to debates of the current session, or reads unnecessarily from verbatim reports of the legislative debates or any other document."

If a member is referring to a very difficult concept that needs to be reported with proper words I would understand that, but reading a speech prepared by the staff of the ministry is really unnecessary.

**The Deputy Speaker:** Thank you. I will not rule the member for Parry Sound out of order.

**Mr. Eves:** With respect to the honourable member's comments, Mr. Speaker, the speech was certainly not prepared by the minister's staff.

In conclusion, I wish to single out one fine example of lottery proceeds at work for the people of Ontario. I think it best exemplifies the commitment of both the Ontario Lottery Corp., whose revenues have been granted to this organization for construction costs, and the

Ministry of Community and Social Services, and particularly that minister's interest in responsible drug rehabilitation programs.

I refer to the Vita Way Farm, a juvenile drug rehabilitation centre located in my constituency. This centre received over \$10,000 in Wintario assistance in March. As well, this unique facility receives annual funding for operational expenses from the Ministry of Community and Social Services.

Vita Way Farm is an extraordinary medical centre that counsels, supports and assists drug and alcohol-dependent youth from communities throughout northern Ontario. It is special because it symbolizes this government's ongoing commitment to health, independence and responsibility among the young. Funding from Lottario proceeds has made a genuine, substantial contribution to this commitment. I endorse the Ontario Lottery Corp.'s mandate and hope that other worthwhile projects of a similar nature will be encouraged and nurtured throughout Ontario.

**The Deputy Speaker:** We have about a minute and a half remaining on this ballot item. Would the honourable member still like to participate?

**Mr. Ruston:** Yes, Mr. Speaker. Very briefly, in a minute and a half I want to make it plain that we are not saying in this resolution that the lottery should be stopped. We were aware a year ago that this government intends to bring in a daily lottery and we want to put it on record that we are against this. We have enough lotteries on the go now. We have no objection to maintaining them. We also feel there is room for some of the other private corporations—well, I do not mean corporations, really; there are funding organizations that require money for assistance, and we certainly do support them.

A point I also wanted to raise is about the chances of winning and the advertising that says we all win. I think that has been a misconception in the advertising and I do not think government should advertise in that way.

Many people realize the chances of winning the first prize in the Super Loto are one in 800,000; in the Provincial, one in 800,000; in Wintario, one in one million; and in Lottario, one in 3,200,000. We are also aware that 31 per cent of the people who purchase tickets are in an income bracket below \$20,000 a year—

**The Acting Speaker (Mr. Cousens):** The honourable member has completed his allotted time. Thank you.



**Mr. Ruston:** That was a long speech, wasn't it?

**The Acting Speaker:** Oh yes, it was excellent. Next order.

### PUBLIC SERVANTS POLITICAL RIGHTS ACT

**Mr. Cassidy:** Mr. Speaker, this is an historic occasion. This evening, in the Legislature, we will have for the first time in the history of Ontario, the chance to vote on the question of whether or not public servants in Ontario should have the fundamental freedom of speech that is guaranteed in the Charter of Rights.

**The Acting Speaker:** Will the honourable member put his motion first?

Mr. Cassidy moved second reading of Bill 25, An Act to provide Political Rights for Public Servants.

**The Acting Speaker:** The member has up to 20 minutes for his presentation and may reserve any portion of that for a windup.

**Mr. Cassidy:** Thank you, Mr. Speaker. When I have been around here a year or two longer, I will remember to move the bill.

In 1975, we had a chance to debate this principle and the government opposed it. Today, we have a chance to actually vote on the principle of this bill, and I hope very much that now the Charter of Rights has been adopted with strong support from Ontario the principle of freedom of speech which was accepted in that Charter of Rights will be made a reality for Ontario's 65,000 civil servants.

A few weeks ago my wife and I joined the crowds on Parliament Hill who were there when the Queen came to proclaim the new Charter of Rights. The charter states, unequivocally, that everyone—no exceptions—has the fundamental freedom of thought, belief, opinion and expression, in freedom of the press and other media of communication, and that this freedom is subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

My bill is before the Legislature because Ontario civil servants simply do not have that fundamental freedom of speech which the Constitution was meant to guarantee. In fact, if this evening's budget were to bring in a wage freeze on civil servants—and I certainly say to my friends in the Ontario Public Service Employees Union, who are here for this debate, I hope that does not occur—that could certainly be interpreted as being part of the platform of the

Conservative Party of Ontario and, as such, any civil servant who chose to take issue with the wage freeze would face instant dismissal in Ontario.

The law we have now is offensive in the extreme because not only does it restrict political rights it states that a civil servant who speaks or who writes in public on any matter that forms part of the platform of a provincial or federal political party, is subject to instant dismissal. There is no recourse. There is no second chance. Never mind that unemployment is nine per cent, one word wrong and one faces the prospect of being thrown out.

Ontario took a position in favour of the Charter of Rights, but I am beginning to suspect that was a hypocritical position; that Ontario felt the Charter of Rights was fine in theory, but when one gets down to practice, one better not try to apply it.

Just a few days ago I asked the Attorney General (Mr. McMurtry) whether he thought the restrictions on public servants in Ontario should be removed now that the Constitution and the Charter of Rights had been adopted. In his opinion the answer was no. He said he thought the protection of the existing law, which he said protected civil servants from being pushed around or made to do partisan things by the government in power, was much more important than whether or not they should enjoy freedom of speech.

Ironically enough, only a week or two after the federal Conservative Party, right up to federal leader Joe Clark, had been hammering away at the Liberal government for its firing of Neil Fraser, the Revenue Canada employee in Kingston who had the temerity to talk about the metric system, our Attorney General comes along, undermines his federal colleague and says, unequivocally, that he thought Pierre Trudeau and the Minister of National Revenue were right in firing Neil Fraser and taking away his freedom of speech. In other words, one can have freedom of speech in theory, but one cannot have it in practice here in Ontario.

**4:40 p.m.**

The Public Service Act, which my act wants to amend, has two basic principles that are covered in Bill 25. The first is the question of freedom of speech and the second is the question of political activity. Let me give another example. At our convention in February, the NDP reiterated its position that public servants in Ontario should have political rights. If any public servant in Ontario were to write a letter



to the Toronto Star saying, "I agree with what the NDP has said," or "I agree with Mike Cassidy's Bill 25 on political rights," that civil servant would have transgressed the law and would be subject to dismissal.

Not only is it difficult to keep within that guideline, but in certain cases it is impossible. The NDP has a 200-page book of platforms and policies adopted at our convention. When I wrote to the Progressive Conservatives the other day I asked them, "What is your platform from the last election?" The reply was: "Oh, we did not have one. We sent notes out to candidates. You have to read the Premier's speeches. You have to look at our advertising and see what we put in the paper." In the paper they talked about the Board of Industrial Leadership and Development program, which talked about every aspect of Ontario's economy from soup to nuts. The Premier certainly talked about everything, including soup and nuts—especially the latter.

The fact is that if a civil servant was seeking to abide by Ontario's law he probably could not even say, in a mixed gathering of more than three people, what was on his mind for fear of betraying himself or straying into an area that some political party had as its platform at some point in its history. My bill is not talking about deputy ministers and senior civil servants, who are specifically exempted. It is talking about truck drivers, clerks, salesmen, secretaries, waiters, machine operators, nurses, lab technicians, foresters, bookkeepers, receptionists and translators, accountants, and people like that who do jobs identical to jobs in the private sector.

The only difference is they cannot do things politically because they happen to work in government. They cannot raise funds for a political party. They cannot canvass on behalf of a candidate during the time of an election. If they engage in other activities, even if permitted according to law, they are subject to threats or to intimidation.

There was one fellow who worked for the Ministry of Correctional Services who wanted to put a lawn sign up, only he made the mistake of asking his superior whether that was all right. The fellow said: "I don't know. We will let you know after the election." In Ottawa, when that happens civil servants now say: "It is not my lawn sign. My wife put it up." But if both of them work for a government department they are in trouble once again.

If civil servants decide to exercise their rights to belong to a political party and to go to a

political meeting between elections, and it is their right in Ontario, they cannot speak on any matter that is part of the platform of a political party. In other words, they cannot speak about anything that party happens to have at heart or at interest. Those are the kinds of restrictions that exist in Ontario right now. Recent cases, both federal and provincial, show that the application of this law is very difficult to predict. It is done at the favour of the government, depending on whom they want to favour or whom they want to punish. It is unpredictable, but governments seem to be getting more vigorous in applying it.

There was the jail guard in Kingston who was told to shape up when he appeared in a primary school revue which happened to be a spoof of what happened in the jail. There was the forester who was fired up in northern Ontario because, as a professional, he felt he could not go along with what he was being told to do by his superiors. There was the civil servant in Thunder Bay who was told to resign the presidency of his NDP riding association or else. There is the federal civil servant somewhere in Ontario who told me, "I have been told by my boss I cannot be active in my riding association or else they are going to take disciplinary action."

There is the Ontario Provincial Police officer who was refused leave to run in 1979 in the riding of Nickel Belt, for the PCs as it happened, and who I believe was fired or disciplined because he acted in contravention to what his superiors were telling him. There was the assessor in Port Colborne who was fired, not for running in a municipal election—that was all right—but once he got into municipal politics it was deemed that was a contravention of the law.

If section 14 of the present Public Service Act were to be strictly applied—and I am not sure how one could do it—it would make it impossible for any public servant in Ontario to serve on a local council. If one is on a municipal council it is hard not to talk about issues like housing, welfare, day care, property tax or, these days, economic development.

Those are all matters in which the province is involved, and all are matters on which the three provincial parties have platforms. One would not really be able to avoid talking about those unless one sat totally mum on council for two or three years. If one is on a school board, it is impossible to carry out school board policies without talking about the platform or policies of the Ontario government with respect to education.



What about the example in Halifax where the poor fellow who had a home insulated with urea formaldehyde was a federal civil servant? He became the head of the home owners' association in Nova Scotia concerned with urea formaldehyde and with getting some justice. He was told he would be fired if he stayed on and he had to quit.

What happens if one of these ladies or gentlemen who works for the Ontario government has a child who needs special education? He goes and becomes active in the Association for Children with Learning Disabilities or in the local parent-teacher or home and school association. Perhaps he wants to get on the local school board to ensure that the opportunities denied his child when he needed them would at least be made available to other children, so those other people would not have the grief he has had.

Special education is part of the platform of the three political parties in Ontario. It would be illegal for that particular civil servant, in anguish over what had happened to his child, actually to get out and do anything to ensure other kids did not suffer that way. That is the situation in Ontario.

The law is not always applied. When it is not applied, that is done in a quixotic kind of way. If one is an accountant, a nurse or a secretary, one knows when one's superior comes to one whether he means business or not. One can get pushed around and intimidated. But if one is up at the heights of the civil service, it is different.

I was offended to pick up my Sunday Star and read Hugh Segal musing in public about the advice he was giving to the Premier as to whether he should run for the leadership of the federal Conservative Party. I was offended to pick up the references in Hansard when we had a debate about this a few days ago. On page 998, April 20, the Premier said: "But certainly Mr. Segal has a partisan interest. Certainly he is a Progressive Conservative. He has never apologized for it."

That is okay so far. I suppose people have the right to be Progressive Conservatives. But the fact is Mr. Segal has deputy minister status as the associate secretary of cabinet for federal-provincial relations. He is in a category of civil servant which is in schedule 2. Those are the people at the top of the civil service who should be insulated completely from any involvement with politics or partisan activity.

Yet the Premier went on to say, "Yes, he is a public servant and a very able one." When one

picks up the law, it says those people who are in the restricted schedule 2 categories shall not be involved in political activity in any way. Certainly they should not speak on any matter which forms part of the platform of a political party.

When I watched cable television during the course of the New Democratic Party's provincial convention, there was Hugh Segal, an Ontario civil servant making \$60,000 or \$70,000 a year with public servant status. He was commenting, line by line and blow by blow, as the NDP hammered out its platform for 1982 and selected a new leader from among the member for Scarborough West (Mr. R. F. Johnston), the member for Port Arthur (Mr. Foulds) and Mr. Bob Rae.

What are civil servants to make of this? Is it a law that does not apply at the very top but is applied at the bottom? What do they make of it when they find that Rocco Lofranco, who does public relations for the Workmen's Compensation Board—a known Tory organizer before he went to the WCB—took leave during the course of the last election campaign? He went back to his old love, organizing on behalf of Conservative candidates and did not see anything remiss about that, despite the rule that says unless one takes leave of absence to be a candidate one shall not work actively for a political candidate during the course of a provincial election campaign.

**4:50 p.m.**

My bill is a very positive one. It seeks to be positive rather than negative. It sets out the rights public servants should have; the right to vote, the right to actively support a party or a candidate, the right to contribute to a political party, the right to solicit for funds, the right to hold office in a political party and the right to freedom of speech and freedom of expression.

It provides protections against these rights being abused. It says civil servants shall not exercise them during working hours. They will not associate their government job with any political activity or with speaking out. They will not write a letter to the editor saying, "I happen to be involved in such and such a ministry and I know." They will not do that; they will write as a private citizen.

They will not speak on any matters with which they are directly involved. That is a reasonable protection. In other words, if a person works for the Ministry of Revenue, they do not speak on revenue matters. The same principle is that if a person works for General



Motors, they do not speak about General Motors matters. That matter has been raised from time to time.

I know it does not stop the people at General Motors from knocking Ford and it does not stop them from talking about other issues of public concern, including the economy.

Of course a person should respect his oath of office. My act would exclude deputy ministers and senior employees of the crown and the people who do management and policy work from these freedoms. There is a small group in the civil service who should stay outside of politics. Hugh Segal, in his position, is one of them but the government seems to have got things the wrong way around so the deputy ministers have become politicized while the civil servants who do ordinary jobs become intimidated.

My bill would protect civil servants and public servants from being required to engage in partisan activities on behalf of a candidate or party. People have said, "Isn't that necessary?" The answer is, "Yes, it certainly is." I would hate to see the government forcing anybody to go to work for a Conservative candidate during an election. I wish I could be confident that they have never done that in the past, particularly up in northern Ontario where the Ministry of Northern Affairs and the Ministry of Natural Resources run a kind of partisan activity in every corner of northern Ontario.

My bill would repeal the prohibition in the Crown Employees Collective Bargaining Act which prevents a public service union from supporting a political party. It also removes the risk that if it does so, if it is seen to be helping the political party in any way, it could lose its bargaining rights.

I say to my friend from Chatham and other members in the Legislature on the government side that if they have some specific improvements or changes they think the bill should have then pass the bill and let us put it out to committee. Take a constructive tripartisan approach in terms of coming up with something which is better than what exists right now, but do not stay with the present hypocrisy where in theory nobody should talk about anything if they work for the Ontario government. In practice, a law like that cannot be applied except arbitrarily, and arbitrary law irregularly applied is bad law.

The question about whether a civil servant can talk about matters in the department for which he or she works under any condition is

something on which my friends from the Conservative side may have some comments to make. We will look at that as well, but the issue is whether or not in principle public servants should have freedom of speech under the Charter of Rights and whether they should have any political rights at all.

I would remind the House that it was back in 1897 that the principles in the present law were originally adopted, when there were less than 800 public servants in Ontario. Almost all of them worked within this Legislative building and the spoils system and the patronage system ran rampant. Things have changed since then. Values have changed. Concern for rights has changed. The kinds of jobs that people do in the public service have changed and we have 60,000 or 70,000 people who are covered by this law, rather than fewer than 1,000 as it was many years ago.

It seems to me we have a double standard when doctors can go on strike and get an \$800 a week raise, and civil servants and the Canadian Union of Public Employees get sent to jail for trying to do the same kind of thing. It seems to me that the fight to give freedom of speech to public servants is inextricably mixed in with the other rights that people should have in a democratic society, including the right to free trade unions, the right to have political rights, including, may I say, the right to strike. Perhaps we should be looking at all of those things.

I recognize my time is coming to an end.

There are alternatives. Britain has a liberal system, an open system in which only a small proportion of senior public servants do not have political rights. Many of the remaining members of the civil service in Britain are not active politically. It is part of the tradition there. I am sure if my bill was adopted here many people in Ontario would also not exercise political rights to any appreciable degree.

But even if they are not going to exercise them, surely it is still nice to know they have them. It is like being in the Soviet Union where the rights are in the constitution but woe betide anyone who tries to exercise them. That is the situation that seems to exist for public servants here in Ontario. The Armitage report in Britain said there was "no evidence that there was any decline in the high standards of civil service" with the system there has been for some time in that country.

The Attorney General (Mr. McMurtry) says he wants to protect the civil servants. He should know that the Public Service Alliance of Can-



ada and the Ontario Public Service Employees Union both want these changes in law. Civil servants are not children any more. It is time we grew up and gave them freedom of speech and political rights.

**Mr. Watson:** Mr. Speaker, I rise to speak to this proposed legislation, An Act to provide Political Rights for Public Servants. I want to address this bill not from the viewpoint of motherhood, as expressed by the mover of the bill, but as one who spent almost 20 years as a member of the provincial civil service. As such, I feel I can reflect the views of many of the civil servants and public servants who have not been represented by the remarks of the member opposite.

I am aware there might be those within the civil service who feel their rights are being discriminated against, and I would point out that the bill proposed by the member opposite simply changes some of those levels to what he termed more reasonable limits that he considers to be more appropriate. I happen to feel the present legislation in this province is very reasonable and is in the best interests of the employees of this province and the public of this province.

**Mr. Philip:** Reasonable if you happen to be a Tory. You're a Tory hack. It's okay for you.

**Mr. Watson:** I shut up and did not interrupt you.

It is an old cliché to say that a person cannot serve two masters, but it does have a considerable amount of truth. The implementation of this particular bill would place many civil servants in this province in a very untenable position. They would be subjected to peer pressure from both the government and opposition political parties. I do not see this as an issue of civil servants wanting to become involved politically on behalf of either the government in power or a party in opposition.

**Mr. Wildman:** Obviously not.

**The Acting Speaker:** Order. The honourable member did not interrupt the initial speaker, and I would ask other members to do the same for him when he has the floor.

**Mr. Watson:** The same adverse peer pressure could be brought from fellow workers and would really result from a lack of trust in fellow workers. In order for any organization to be strong, including public servants, there must be team work and mutual trust. I suggest anyone who openly supports a partisan political party—whether that party happens to be in government

or opposition really makes no difference—will not have the same trust and respect from his fellow public servants.

What we are really talking about here, in my opinion, is the independence of the public servant. The member opposite has introduced a bill that seems to suggest the independence of the public servant is limited at present. I suggest the independence of the public servant would be much more limited under his bill than it is at present. There is no question that there are certain restrictions in the present legislation. I believe, however, that our existing legislation has been established as a balance between unrestricted political action on the part of individuals and the need for an impartial government service.

As far as I am concerned, an impartial or politically neutral government service is absolutely essential in a parliamentary system such as ours. I am convinced the public of this province would not tolerate any control over the administration of government policy by identifiable representatives of a political party. I know the bill suggested by the member opposite does not indicate this would happen. But I am sure, however, that over time situations would arise that would lead to accusations that might not be true, but such situations would certainly be suspect. I suggest that crown employees must not only be politically neutral, but must appear to be politically neutral.

Public servants and civil servants in this province do have opportunities within the administrative structure to suggest ideas or changes that can affect ministry or government policy directly or indirectly. I think it safe to assume that, with the numbers involved, not every idea for a policy change is acceptable, financially or otherwise. The exchange of ideas among policy makers in the civil service is a very important process in seeking out and finding those policies that are best suited for the people of our province.

**Mr. Cassidy:** How many government truck drivers make policies?

**The Acting Speaker:** When the member for Ottawa Centre had the floor, no one interrupted him.

5 p.m.

**Mr. Watson:** Just because a civil servant does not get his way should not be cause for that civil servant to attempt to get his way through a political route. One may say that this is not what would happen; but the point is, it could happen.

It would simply have the effect of moving most of the arguments that now take place in the civil service policy-making sessions to political policy-making sessions.

I do not think civil servants or crown employees are in any way unique in being prevented from speaking out politically on issues affecting their employment. Such rules, whether written or unwritten, apply to most business, commercial or social organizations in this province. It is not accepted practice for an employee to openly and publicly criticize his employer.

Most organizations, whether business or government, have channels of communication for constructive criticism. In fact, many encourage constructive criticism which may result in some changes in their organization that are beneficial to all. Those kinds of activities go on within any organization, and that is good.

I am very much afraid that if this bill were adopted, so far as public servants are concerned, some of the constructive criticism that does come from within the ranks would be discounted because of the partisan political opinions that the person making the complaint would be known for.

Section 15 of the present Public Service Act states, "A crown employee shall not during working hours engage in any activity for or on behalf of a provincial or federal political party." Obviously, then, a crown employee can engage in some political activity outside his or her working hours. I personally have problems with this present regulation, because I think it would be difficult to completely divorce oneself from one's employment even though an employee may have specifically assigned working hours.

**Mr. MacDonald:** They want to shackle them 24 hours a day.

**Mr. Watson:** I considered myself a 24-hour-a-day employee when I worked for the government.

Section 4 of the proposed bill has to do with a public servant who proposes to become a candidate in a provincial or federal election. I point out that the present act covers such a situation. I have taken that route myself.

I realize the proposed bill provides for leave with pay rather than without pay, which I suppose at one time in my career I might have found appealing; however, the present legislation works well. I had no difficulty in following it. I was treated fairly in accordance with the act, and I knew what the terms were before I even considered any political activity.

When I started as an employee of the Ontario

government in 1959, I was given some advice by one of the oldtimers in the then Department of Agriculture. He said he did not mind telling anybody how he voted; it was by secret ballot. I thought that was good advice and, though today I find myself a partisan politician, I still think that it is good advice for anybody in the civil service or the public service, and that advice is to vote by secret ballot.

**Mr. Philip:** Did General Jaruzelski write your speech?

**The Acting Speaker:** Order.

**Mr. Watson:** When I entered politics, it was a new game for me. I very much respect the role played by the partisan politicians, and I think I understand that role better than I did some four years ago. I also have a great deal of respect for those who serve the public of this province.

I note that the member opposite has presented his bill today with considerable conviction because he happens to feel that the lines of political freedom should be changed from where they are now. This is a philosophical argument, and even his bill recognizes the exceptions and the conditions.

I do not believe this is a big issue in the public service of this province. I think the balance that has been struck is serving us well. I think the individual's right is protected, and the conditions for political activities that are attached to a civil service job are reasonable under our political system.

As I stated earlier, I believe in the independence of our employees, and I suggest that the adoption of this bill would take away from rather than add to the political independence of a group of people who serve this province extremely well and of whom I was proud to be a part.

**The Acting Speaker:** The member for Ottawa East.

**Mr. R. F. Johnston:** How can the member for Chatham-Kent betray his own colleagues like that?

**The Acting Speaker:** Order!

**Mr. R. F. Johnston:** Calm yourself, Mr. Speaker. You've done that three times.

**The Acting Speaker:** As Speaker, I would like to point out to the members that no one interrupted the member for Ottawa Centre when he spoke. I suggest that the same kind of respect should be offered to other members.

**Mr. Roy:** Mr. Speaker, the admonition towards those people was certainly well deserved, but I



trust it is not taken off my time for participation in this issue. I consider the principle of the bill as proposed by the member for Ottawa Centre to be a very important issue today, especially at a time, as he suggested, when we are just accepting a new Constitution.

The problem is, having listened to the two members who preceded me, the member for Ottawa Centre and the member for Chatham-Kent, it is quite clear that the issue cannot be decided simply, easily and in black and white. It involves a sense of balance and justice. As members know, it is a problem that has existed in many jurisdictions.

For instance, the present trend is obviously in the direction of extending political rights, being more reasonable and not being so restrictive. I do not think anyone here can argue that in the process of extending these rights one can allow what we call a full range of political benefits to the civil servants. There have to be certain curtailments and guidelines so that one does not get into an impossible position of conflict.

When one attempts to arrive at a balance it depends on a variety of factors. The nature and level of the employee's responsibility; the level of government, whether it is federal, provincial or municipal; and again, the size of government, are important aspects in determining the rights and freedoms of the civil service, especially in the field of political activity.

It is ironic that we are discussing this bill today. In today's *Globe and Mail* there is a very interesting article on what happens in certain areas when there is political activity, or at least a semblance of active political involvement, by the civil servant. As we are discussing this very important issue, the *Globe and Mail* has an article with the headline, 14 Top Civil Servants are Fired in Saskatchewan. The new Conservative government in Saskatchewan has made the decision, after reviewing the political activity of something like 42 top civil servants, that 14 of these civil servants were too politically involved and they were fired.

I am not in a position to judge whether such firings were justified, but it is reason for concern if there is a semblance of too much political activity. Members can see the chaos caused in the civil service if every time a new administration comes in there is an attitude that there is far too much political involvement by a certain level of civil servant and the new administration starts embarking on a mass firing of the civil servants in place.

For instance, in Saskatchewan, apparently

prior to even considering these 42 civil servants, the Premier of Saskatchewan had decided that 69 political appointments were to leave the new administration after he had made an agreement with the new administration that these people would get 10 weeks' severance pay. I just point this article out to illustrate the difficulty in arriving at a black and white solution of such a complex problem.

**5:10 p.m.**

Let me give another experience, a personal experience, that I had in, I think, the 1977 election. I happened to be in an all-candidates' meeting, enjoying myself immensely, as we usually do in the great riding of Ottawa East. As we were discussing certain issues, a question came from the floor that was intended to be personal and embarrassing to me. I am not talking about embarrassing questions such as, "How's the law office today?" because I cope with those without very much difficulty. People like to see me in my riding, and they do not care much whether I am doing a bit of law or a bit of politics.

This person asked a question that was intended to be embarrassing, and it turned out that I knew the individual. He has been a member of the Conservative Party for many years, and he had his button there. This individual sits on what is called the Social Assistance Review Board. This individual day after day makes decisions affecting a variety of persons on appeals from certain other agencies; and yet, being actively involved as he was, he was campaigning, he was speaking publicly, he was asking questions in public and everybody knew he was a Conservative.

I asked him from the platform: "What are you doing here? How dare you come to such a meeting, when tomorrow you will be sitting on your board and judging the people who are here, who may be New Democratic Party or Liberal supporters?"

Was it fair that this man, who was aligned with the Conservative Party, might tomorrow be judging an individual who last night was fighting against him on behalf of the Liberal Party or the NDP? What sense of justice is the person appearing before this individual going to have? Should he be publicly or actively involved? Unfortunately, under this bill he would be allowed to do that. I suggest that this may be an area of concern and that it should not be allowed when he is in such a capacity.

I listened to the member for Chatham-Kent, who so sanctimoniously talked about the politi-



cal activity of civil servants and the hypocrisy that the government practices on that side when it says civil servants should express their views by secret ballot only.

There was talk here of Segal. I talked to Segal; I know him well, and I asked him about his involvement. He said, "I am not a civil servant." I do not know whether he is, but Ed Stewart is a civil servant. He is the chief civil servant here in Ontario, and apparently he has even appeared in Tory television ads. Do government members think that is fair? Do they think that is a good example? Do they think it is fair? My colleague the member for Lake Nipigon (Mr. Stokes), was talking about another civil servant, a junior down the line, who expressed his views about something; he was canned.

The member for Ottawa Centre mentioned a number of individuals who were canned. Ed Stewart attends meetings at the Park Plaza of the priorities committee, deciding which political hack is going to get the next job. Do government members think a senior civil servant in Ontario should be doing that?

The member for Chatham-Kent sanctimoniously says to civil servants, "You should not be actively involved," and yet a senior civil servant in Ontario is politically active. This is the type of hypocrisy that makes the present regulations very difficult for the civil service of Ontario to accept.

I say only this to the member for Ottawa Centre: I would have great difficulty in supporting such a bill in its present form. For instance, it says here that civil servants would have the right to actively support a political party. What does that mean? The right to solicit funds for a candidate in a political party? Again, which level of civil servant is allowed to do this? The other part is the right to express views on matters that form part of the platform of a provincial or federal political party.

What I am trying to say is that in its present form there are not sufficient controls in this bill. For instance, my colleague mentioned that in Britain there had been different categories of civil servants. In closing, I simply say the solution is not as simplistic as this.

**Mr. Watson:** Nice sitting on the fence, Albert.

**Mr. Roy:** I was very clear. I said you are hypocrites; there is no wavering there.

**Mr. R. F. Johnston:** I hope it's not a picket fence you are on.

**Mr. Roy:** Can you support this?

**Mr. R. F. Johnston:** I can.

Interjections.

**The Acting Speaker:** Order. You had your opportunity on the floor.

**Mr. Charlton:** Mr. Speaker, I rise to support Bill 25 put forward by my colleague the member for Ottawa Centre. I spoke on the basis of some personal experience which I find rather inconsistent with a number of the comments made by the member for Chatham-Kent and the member for Ottawa East. I would like to talk about some of those things.

A number of things have been yelled back and forth across the House this afternoon. The member for Chatham-Kent suggested that when he was a civil servant, he was a civil servant 24 hours a day. I point out that was his choice, and there is nothing wrong with that choice; it is a very admirable choice. But perhaps the fact that he was playing civil servant 24 hours a day is the reason he was unable to see the things that were going on around him in the rest of the civil service.

The member talked about balance in the context of civil servants being neutral in their jobs and duties. I worked for the civil service for a number of years before I was elected to this House, and I was politically active all those years. I was respected by those who worked with me for my political activities and for my neutrality on the job.

The government and the senior civil servants of this province, the Tory hacks the member for Ottawa East was referring to, did not use the act and the political restrictions in the act in a manner that in any way reflected balance. I worked in the assessment division of the Ministry of Revenue. I think most members are aware of that from other debates in this House.

From the time the Tories took over the assessment function, whenever a political election was called in 1971, 1975 and 1977, the civil servants who had jobs to do did not get them done during the election, because all the assessors were been pulled off the road so they would not be out there offending the taxpayers of Ontario during the course of an election campaign. Their work piled up. It was still work they had to do. Those civil servants were used as political pawns of the government and the Tory party. They were not allowed to do the jobs that were theirs to do in a neutral and appropriate fashion. That is the kind of balance with which the government applies the act.

Recently here at Queen's Park we had an episode in the standing committee on public accounts in relation to the Deputy Treasury, Mr. Campbell. He is clearly the kind of civil



servant the member for Ottawa East was referring to; one who gets his job not through a job posting, a competition and an interview, but through a political appointment. None the less, he is clearly a civil servant.

That deputy minister went before the public accounts committee of this House and railed on in the most vicious political attack on the federal government of this country that I can ever recall hearing since I have been here. That was a very blatantly political misuse of public servants. If this government had wanted to make an attack on the federal government, the Treasurer (Mr. F. S. Miller) should have gone into the public accounts committee himself and done his own dirty work. That is the way that political restrictions are applied in this province.

**5:20 p.m.**

As my colleague the member for Ottawa Centre pointed out, we have had a whole range of incidents across this province relating civil servants to political activity and the penalties that have been placed upon them.

The member for Chatham-Kent mentioned the secret ballot. Unfortunately, it would appear the honourable member does not clearly understand the difference between a vote and a democracy. Perhaps it is time the member took a week or two from his duties here to go back to the school across the street and find out what the difference is between Canada and, as a comparable, the Soviet Union. People in the Soviet Union also have a secret ballot vote, but we certainly would not call that a democracy, or at least the Tories on the other side of the House have said so in the past. The reality is that the difference between what they have in the Soviet Union and what we like to call democracy in this country is the right to participate and the right to have freedom of speech.

The situation I ran into was similar to the situation that was mentioned by my colleague the member for Ottawa Centre. I was the president of a riding association, and I had been for a number of years. I had been politically active for a number of years. All the people I worked with, including all my bosses, were well aware of that activity. In 1975, with a provincial election pending, my superiors decided that I was liable to get active in it and that perhaps they should inform the ministry of the activities they had known about for the previous six years. They did so.

Under the act, the ministry responded to my superiors that either I should resign my job or I

should resign my political position. I was in the unfortunate position of not being quite as lucky as the member for Chatham-Kent; he joined the civil service of his own free will and saw the rules. Unfortunately, I was working for a municipality, in assessment, which directly related to property taxation, which in those earlier days was being applied by the municipalities in this province.

With the municipalities, we had full political freedom. It did not create any of the kinds of problems the member for Ottawa East was suggesting, because these were working-level positions, filled through job competitions and in most cases governed by a trade union which put rules in place to protect its employees.

We got transferred to the province; so we did not have any choices about the loss of our political rights. We did not know in advance, and we did not have any choice, regardless of whether we knew or not.

At any rate, the ministry decided to take action against me, because I told them I did not intend to give up my political activities and I did not intend to quit my job either. They convened a deputy minister's hearing to dismiss me. That gave me more political publicity than I ever would have had as an average working civil servant doing my job, minding my own business and participating in the political process. The crazy law they attempted to apply gave me all the political profile I needed.

The point of the whole thing is that many civil servants in this province either have been dismissed by that law or have been intimidated to give up their political activity by that law.

Fortunately, I had a good union. We took the case to court. The government of this province backed down, withdrew the whole case and stuck it in the closet. I ran in the 1975 election, returned to work after the election and had no further problems and no further actions taken against me.

**Mr. Williams:** Mr. Speaker, the question that Bill 25 puts before the House this afternoon is not so much the question of by how much do we extend the rights of civil servants to personally participate in political activities but, rather, does this bill in any way undermine the integrity of the democratic process? Let me elaborate, if I may.

Each and every one of us as members of this Legislature knows we have the right every four or five years to go to the people within our constituencies to ask them to elect us by a democratic vote to lay down the policy and



administer the laws of this province. We do this by choice. The people may elect us or other candidates to office. So it was with the member for Ottawa Centre; so it is for myself and for all elected members of government.

Once we are elected, the government that is given the power by the people to set the policy and to govern the affairs of the people of the province must have the ultimate and sole right to speak out on those policies and to develop those policies.

May I portray this scenario? Should our friend the member for Ottawa Centre either decide to throw in the sponge or perhaps his constituents decide to put him out to pasture, and he takes a position with the civil service and becomes, for example, a public relations officer with the assessment department of the Ministry of Revenue, and say I became the Minister of Revenue, it would be totally inappropriate if we had little Mikey Cassidy in an assessment office in the Ottawa Valley getting up on a public platform and making political pronouncements about whether the policy of this government as may be enunciated by me as a minister of the crown are right or wrong. It would be totally inappropriate. The people who have that sole right and responsibility, onerous as it may be, are the ministers of the crown and so it should be.

The fact is that the civil servants are given many rights. I noted very carefully that the member for Ottawa Centre spoke only in negative terms, as he is wont to do. He did not speak out with regard to any of the positive rights and privileges that already exist under the Public Service Act. I will spell out some of them, because they are very positive. They are clearly spelled out in the legislation to ensure that civil servants are not denied the right to participate in political affairs.

For instance, they have full right and opportunity to engage in and become candidates in municipal elections. There is no inhibition there whatsoever. That is clearly spelled out in section 11 of the act. A civil servant can run as a federal or provincial candidate. There is no way the government can in any way prohibit him from running. If he asks under section 12 of the act, that application "shall be granted." It is not a question of "may be granted." There is no choice in the matter. He or she has absolute right and opportunity to become a candidate in a federal or provincial election.

Should that civil servant not do well at the polls and return to his or her position by reason

of the fact that the people in his or her riding have rejected him or her as a viable candidate, that civil servant is restored to his or her position of office. There is no penalization. Their service is deemed to be continuous under subsection 12(5) so that in no way are they prejudiced by having run as a candidate, but at least they have shown their colours as a declared and qualified candidate in an election.

But for little Mikey Cassidy, as an employee of the assessment department down in the Ottawa Valley, to get up and start making pronouncements that may be contrary to those policies stated by the minister of the crown is totally inappropriate and, I suggest to you, Mr. Speaker, undermines the fundamental principle of the democratic process, that the elected people of the province shall set the policy and speak to it. If a civil servant feels very strongly, he has the rights and procedures set out for him under the Public Service Act.

5:30 p.m.

**Mr. Cassidy:** Mr. Speaker, on a point of order: I would like to bring to the attention of the House the fact that clause 2(2)(c) quite specifically makes the rights provided in the bill subject to the condition that "the employee does not speak in public or express views in writing for distribution to the public on any matter with which he is directly engaged in his employment with the crown." In the course of his remarks, the honourable member has been misstating the position in the bill I have put forward. I wish he would change that.

**Mr. Williams:** The section in the Public Service Act I feel is the central and most important consideration is section 14, which does prescribe that, except when a civil servant declares himself as a candidate, he shall at no time "speak in public or express views in writing for distribution to the public on any matter that forms part of the platform of a provincial or federal political party."

It is fundamentally important that that should remain the case. The fact is it is a condition of employment. A person who decides to work in the public service knows this is one explicit condition that must be imposed upon him or her if the integrity of the democratic system is to prevail, in the same way that civil servants understand they do not have the right to strike when they are in the public service. They cannot hold the public up to ransom because they have a dispute with their employer. As long as this government is in power, they will never



have the right to strike while they are civil servants. They must understand this as a fundamental condition of employment.

There are other people in this society who have greater democratic rights taken away from them simply because it is a condition of their employment, people who are in a much higher office than any of us sitting here in the Legislative Assembly this afternoon. I am speaking specifically about the judiciary of this province. They do not even have the most fundamentally sacred right of everybody in the democratic process, that is, to exercise their franchise. That is a condition of employment. They understood that when they joined the judiciary, and they have to abide by that and live with it. That is a much more fundamentally important prohibition than the fact that, as a civil servant, one cannot publicly get up and oppose public policy and make pronouncements in that regard.

I would like to examine the bill that is before us, because it does appear fundamentally to undermine those basic principles. I am not suggesting there are not some areas of this bill that do warrant further consideration. For instance, there is legislation already in existence in the western provinces of British Columbia, Alberta and Saskatchewan and in the Yukon Territory whereby legislation does permit civil servants to raise and collect funds and actively to canvass for candidates in elections. While section 13 of our Public Service Act prohibits canvassing on behalf of a candidate in an election, it may be that this is an area that would not violate that fundamental principle if it were varied.

Nevertheless, that is something not as fundamentally important, in my mind, as the fact that the civil servant, while a civil servant, must not interfere with the sole and exclusive rights of the ministers of the crown and the Premier to set and state publicly the policy of the government. The Premier (Mr. Davis) of this province has indicated on more than one occasion that there is going to be substantial reform in the electoral process before the next provincial election is called, undoubtedly some aspects of this bill may warrant consideration so long as that fundamental principle I spoke to at the outset is not in any way impugned.

I think that, by and large, the rights of civil servants will continue to be protected if not expanded upon at that time, when omnibus legislation in all likelihood will be brought forward to improve upon and further enhance our electoral process in this province.

Certainly this bill is too sweeping at this time to warrant the support of the government, and I suggest for that reason it cannot at this particular time be supported in its principles.

**Mr. Wrye:** I would like to make a few remarks on the bill which would provide for political rights for public servants.

I found myself wondering, really. I was torn. I had this natural inclination to be in favour of it and then said to myself, "I have so few things on which I can agree with the member for Ottawa Centre, perhaps I should take a second look." So I reread the bill two or three times. In spite of that, I find now that I am going to have to stand and support this bill, and support the member for Ottawa Centre.

**Mr. MacDonald:** That's better than the member for Ottawa East. He is still sitting on the fence.

**Mr. Wrye:** We are working on him.

I just have a few remarks. I guess the first would be to follow up on some of the comments of my colleague for Ottawa East and say that there is a great deal of hypocrisy on the other side of the House, because if there are any civil servants who are political in this province, it is some of those highest in the civil service; those, in fact, whom my friend the member for Ottawa Centre would even exclude from taking part in partisan political activities.

I think we know who they are. There are a few deputy ministers who have reached their present exalted heights of power and their present positions not through the civil service, not through long and good service to this province but through long and good service to a certain political party. I find that practice very disturbing indeed.

**Mr. Wildman:** I would suggest Ward Cornell.

**Mr. Wrye:** My friend the member for Algoma suggests one name that I gave passing consideration to. And it seems to me there is an acting deputy minister who should also get some consideration along those same lines.

However, I want to talk about why I have come to the view that we need to make—and I would agree with my friend the member for Oriole—what is a rather sweeping change. I think the time has come to make that sweeping change. The society in which we live in Ontario is one of great and increasing complexity. In days gone by, when government did not have an all-pervasive role to play in our society—once in a while benevolent; at least we hope so—



perhaps it might not have been necessary for us to consider this matter.

Today, whether by the problem of urea formaldehyde or by metrication, whether by any number of provincial and federal issues, the daily life of each and every individual in this province is affected. At the same time, we have an increasingly large number of civil servants. I may be incorrect but I believe the number of civil servants in Ontario has now reached approximately 60,000; and employed by the government of Canada there are close to 400,000. So honourable members can see that in Ontario we are looking at a very large number of people who have been affected by this denial of rights.

If all of these people were senior managers and policy makers—and it seems to me in the past a greater proportion of them were simply because the number of civil servants was smaller—I might not be so concerned about this rather sweeping denial of political rights. But in point of fact, as my friend for Ottawa Centre pointed out in his opening remarks, we are now talking about secretarial help, clerical help, truck drivers; we are talking about ordinary working men and women in Ontario.

For the member for Oriole to suggest that when these ordinary working men and women come to work for the government of Ontario they ought to put aside any interest in our society is very wrong. These are, I would remind the honourable member, very difficult times in which to find employment. I hope the Treasurer will make them somewhat easier tonight, but I for one happen to doubt that.

**5:40 p.m.**

These are very difficult times, and it seems to me that when the member for Oriole suggests that a secretary can be the same as a member of the judiciary, what he fails to understand is that a member of the judiciary already has a position and very often simply must make the choice such a person will make in moving up into a judgeship. But what we are talking about is perhaps a 19-year-old man or woman looking for his or her first job, and quite frankly a job with the government may be the only one that is offered. Yet what we are saying to these people is, "When you come on board with the government you no longer have any right to speak out on matters of public policy."

I am concerned lest we fail to understand the implications of that. I have spoken with a number of my colleagues, some of whom do not agree with my point of view on this matter, and they have expressed a concern that I think we all

must face and understand. That is, that there could be—and I think we in this assembly would all understand—some attempt by the odd civil servant to abuse his position. I believe there are some mechanisms in place, not the least of which is the office of the Ombudsman, to correct such abuses if they occur. I believe that these abuses, if they were to occur, would be very few and very far between and that they would be correctable.

I think that the greater good of the thousands of public servants, who for the first time would have some political rights—the right to actively support any candidate, any party of their choice; to contribute to not just one party but to any party and so on and so forth, as is set out in section 2 of the bill—far outweighs the concern that has been expressed to me about having public servants involved in the process and what that might do to their lily-white image and lily-white hands. I think that problem can be overcome.

The member for Ottawa Centre in his bill has limited these political rights and taken them away from certain senior policy makers. I would suggest to the member that I do have the one concern that he has not gone far enough and that we might go another step or two down the line, that the limitations are probably not broad enough. At the same time I believe that the principle of this piece of legislation, which would offer political rights to public servants, is a principle that, after all, we should be voting on; and should this House in its wisdom carry it, the removal or the addition of some other senior policy makers could be a matter that this Legislature could consider in committee.

Basically, what I think we are doing is not picking at individual sections of the bill but looking rather at the broad principle. There are some concerns. Section 2(1)(d), "the right to solicit funds for a candidate or for a political party." My colleague the member for Ottawa East in discussing this bill with me had some concerns along that line. I say to all members of the House, including my friend the member for Ottawa East, perhaps these are matters that we could consider within committee.

It may be that there will still have to be some limits, but I return once again to the very basics, which seem to me to be captured in section 2(1)(b), "the right to actively support a political party or a candidate for provincial or federal office"; and perhaps clause 2(1)(f), "the right to express views on matters that form part of the



platform of a provincial or federal political party."

As I said, I think this is a piece of legislation whose time has come. In summation: In my opinion, the complexities of our society and the number of people involved dictate that we should move in this area and we should begin to extend to those thousands of civil servants in Ontario the rights which we hold so dear and use in our daily lives.

**Mr. MacDonald:** Mr. Speaker, I rise, in the limited time available to me, to support Bill 25. I think it is both sad and disappointing that in the year 1982, we should be debating in this House the assurance of basic rights to that growing number of people who happen to be servants of the people, civil servants in Ontario. Indeed, if the import of the comments from the other side of the House are to be carried to their normal conclusion of a veto or a defeating of this bill, it will be little short of outrageous.

In the limited time I have available let me try to put this in its historical context.

In the year 1945, I happened to be in Ottawa as a naval officer, doing my duties by day and free at night to be involved in many activities, some of which were nonpartisan. One of these was as a member in the Canadian Institute of International Affairs, and I found myself on a committee with a couple of men, one of whom was Mitchell Sharp, an upper middle-bracket civil servant, and the other was Maxwell Cohen, an emerging lawyer subsequently to be dean of the law school at McGill. We were to look into the civil rights of civil servants.

We looked at them all across the world. We discovered that, in contrast to the shackles and restrictions that were placed on civil servants in Canada, in countries in Scandinavia there were people who had total freedom as first citizens in the land even though they were civil servants. I shall never forget discovering what I thought was maybe a little exaggerated—

**Mr. Speaker:** Please. Order. I just caution and ask the co-operation of all honourable members to please limit their private conversations so that we may hear the remarks of the member for York South.

**Mr. MacDonald:** Thank you, Mr. Speaker. I think by your intervention you have deprived me of about 15 per cent of my time.

One of the things we found was that in Norway or Sweden, I have forgotten which country, there was even the case of a deputy minister who ran for the opposition, was not

elected and came back to his post. That, I would agree, is perhaps a little bit unacceptable, but it was an indication of the extent of the rights that were granted to civil servants.

Let me give another little footnote to history. Back in 1962, Mr. Speaker, there was a civil servant in Ontario by the name of John Harney. He happened to be on the staff of the Ministry of Agriculture at the Ontario Agricultural College when he announced that he was going to run in the federal election. The fluttering in the dovescotes was something to behold. The lines burned between Guelph and Toronto as to what they were going to do about this outrageous flaunting of the traditions in Ontario.

However, we had at that time a Prime Minister by the name of John Robarts, who at least had one foot in the 20th century; in fact, perhaps even both feet in the 20th century. He called a meeting of the then leader of the Liberal Party, John Wintermeyer, myself, Jim Allan, who was provincial Treasurer and therefore head of the Civil Service Commission, and Don Collins, who was head of the Civil Service Commission, to discover what we were going to do about it. What emerged was that it was agreed ex cathedra by the Prime Minister of the day that John Harney would have the right to take leave of absence and to run in the election if he so chose.

**5:50 p.m.**

That was a breach from the so-called McCarrow resolution which had been passed by this Legislature in the year 1898. It said that no civil servant, under any condition, could ever be involved in politics.

We thought we had it solved when I said to the Premier of the day: "Unfortunately, we do not have it totally solved. You say if a person takes this nomination he must then resign his position. I have to draw your attention to the fact that there happens to be another candidate, by the name of Harold Wilson, in Ottawa, who was nominated for the New Democratic Party, with Tommy Douglas as the speaker at the convention, with the full approval of the president of the Eastern Ontario Institute of Technology; all of them being civil servants. Now what are you going to do about it? Are you going to take back his pay for six months retroactively?" The Premier in his pragmatic way said: "I tell you what we will do. We will make it necessary for them to take leave of absence from official nomination day until voting day, namely a couple of weeks." In short—

**Mr. Speaker:** The member's time has expired.

**Mr. MacDonald:** I am sorry. I thought I had something to say.

**Mr. Speaker:** You did indeed.

#### ONTARIO LOTTERY CORP.

**Mr. Speaker:** Mr. Edighoffer has moved resolution 17.

All those in favour of the resolution will please say "aye."

All those opposed will please say "nay."

In opinion the nays have it.

Motion negatived.

**6 p.m.**

#### PUBLIC SERVANTS POLITICAL RIGHTS ACT

The House divided on Mr. Cassidy's motion for second reading of Bill 25, which was negatived on the following vote:

##### Ayes

Boudria, Bradley, Breagh, Bryden, Cassidy, Charlton, Copps, Foulds, Grande, Johnston, R. F., MacDonald, Mackenzie, McClellan, Philip, Renwick, Ruprecht, Ruston, Samis, Stokes, Swart, Wildman, Wrye.

##### Nays

Andrewes, Ashe, Baetz, Barlow, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Eakins, Eaton, Edighoffer, Elgie, Elston, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Johnson, J. M., Kells, Kerr, Kerrio, Kolyn, Lane, Leluk;

MacQuarrie, Mancini, McCaffrey, McCague, McEwen, McLean, Miller, G. I., Mitchell, Newman, Norton, O'Neil, Piché, Pollock, Ramsay, Reed, J. A., Robinson, Rotenberg, Roy, Runciman, Scrivener, Sheppard, Shymko, Snow, Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Wells, Williams, Wiseman.

Ayes 22; nays 67.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, I wish to indicate to the House the business for the remainder of this week and for next.

Tonight we will have the Treasurer's budget statement. Tomorrow morning, we will debate second reading of Bill 60. On Monday, May 17, the reply to the budget will be presented by the official opposition critic. Then, if there is any time remaining, we will continue with Bill 60 until 6 p.m.

On Tuesday, May 18, we will have the reply to the budget by the third party's critic. Then we will continue with Bill 60 and into the evening, including committee of the whole on Bill 60.

On Wednesday, May 19, the usual three committees, general government, justice and resources development, may meet in the morning.

On Thursday, May 20, we will have private members' ballot items in the name of the member for Durham-York (Mr. Stevenson) and the member for Kitchener (Mr. Breithaupt), and in the evening we will continue with the budget debate. We will also continue with the budget debate on Friday, May 21.

I wish to remind members that, after consultation, we expect to begin the estimates of the Ministry of Community and Social Services next Monday, May 17, in committee, after the budget reply has been completed. The estimates of the Ministry of the Environment are expected to begin in committee on Tuesday evening, May 25, and, in the justice field, we will begin the estimates of the Ministry of Correctional Services in committee during the week of May 24. I am also advised the volumes of estimates will be tabled next Tuesday and Thursday.

We will begin Monday evening sittings on May 31. We will not meet on Monday evening, June 7, but we will meet every Monday evening thereafter until the summer adjournment.

The House recessed at 6:04 p.m.



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Philip, E. T. (Etobicoke NDP)  
Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)  
Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)  
Roy, A. J. (Ottawa East L)  
Ruston, R. F. (Essex North L)  
Sargent, E. C. (Grey-Bruce L)  
Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)  
Sterling, Hon. N. W., Provincial Secretary for Justice (Carleton-Grenville PC)  
Swart, M. L. (Welland-Thorold NDP)  
Turner, Hon. J. M., Speaker (Peterborough PC)  
Watson, A. N. (Chatham-Kent PC)  
Wildman, B. (Algoma NDP)  
Williams, J. R. (Oriole PC)  
Wrye, W. M. (Windsor-Sandwich L)  
Yakabuski, P. J. (Renfrew South PC)



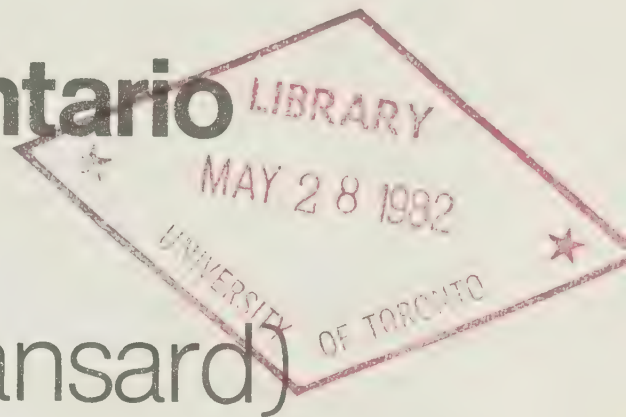




No. 49

# Legislature of Ontario Debates

Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Thursday, May 13, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 13, 1982

The House resumed at 8:05 p.m.

**Mr. Speaker:** I ask the indulgence of all honourable members while the pages distribute copies of the budget.

Presuming all honourable members now have received a copy of the budget, I recognize the Premier on a point of privilege.

## TREASURER'S WEDDING ANNIVERSARY

**Hon. Mr. Davis:** Mr. Speaker, on a point of privilege which is not my personal privilege: After the Treasurer (Mr. F. S. Miller) has concluded, the honourable members of the House will want to congratulate him, so I thought I could speak on behalf of all members prior to the presentation of the budget.

If some are wondering about the significance of May 13, the Treasurer and his very charming wife Ann are celebrating their 32nd wedding anniversary today. I know the members will join with me in offering congratulations.

**Mr. Peterson:** Mr. Speaker, since that is the last good news of the evening, I feel obliged to respond on behalf of my party and wish the Treasurer congratulations. It is the most significant thing he has done in the last 32 years.

I just want to add one caveat. When the Tories were cleaning out Syd Silver for blue suits tonight, why couldn't they have found one for the Treasurer?

**Mr. Foulds:** Mr. Speaker, without any flip comments, I extend congratulations to the Treasurer and his wife.

## BUDGET RESOLUTION

Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, that this House approves in general the budgetary policy of the government.

## BUDGET STATEMENT

**Hon. F. S. Miller:** Mr. Speaker, I rise to present the 1982 budget of the government of Ontario. This is the fourth budget which I have had the honour to present to this House and I dare say it has been the most difficult one to write.

8:10 p.m.

We live in troubled economic times. For nine

years now the industrial economies of the world have tried to cope with massive problems of energy shocks, slow growth and inflation. No country has been able to master the challenge fully. Each time that we seem to be regaining a pattern of reasonable growth we are swamped by yet another wave of inflation. Last year the monetary authorities of the United States launched a hell-bent-for-leather attack on inflation by driving interest rates to unprecedented levels. The US administration was determined to bring inflation to a halt even if it meant stopping the American economy dead in its tracks, and that is what happened.

The Bank of Canada followed suit. But in our country we had to bear not only the cross of crushing interest rates but also the thorns of the November federal budget. Canadians now stand amid the fallout from these draconian policies. Investors have lost confidence. Business people, farmers and home owners suffer under high interest charges. Worst of all, people have been laid off, others are taking pay cuts and some live in daily fear of losing their jobs.

It is understandable that many of our citizens are frustrated and concerned. They do not comprehend why a nation such as ours, with its enviable bounty of human and natural resources, can find itself in such circumstances. Quite frankly, I do not blame them.

In no way do I belittle the challenge that faces this great province, but I am confident we can meet it. I am confident not just because I am a natural optimist but because our track record is strong. In the past decade Ontario businesses and workers have clearly demonstrated their ability to rebound from setbacks thrust upon us by international economic conditions. I am confident because we have come through the past 10 years with one of the best job-creation performances recorded anywhere in the western industrial world. I am confident because this fine province continues to be led by the government of the Honourable William G. Davis.

With this budget I cannot solve all the problems that confront us, nor can I heal all the economic wounds that many of us bear as a result of the international and national economic situations. No one would suggest that any provincial



government could do all that. Moreover, when our revenues are reduced because of slow economic growth and substantial federal cut-backs, I cannot conjure up a way of paying for a decent standard of public services that does not involve some increases in tax levels or the deficit.

When I wrote this budget I did not bemoan what could not be done. I sought out the positive things that we can do to create jobs and new investment, that we can do to reinforce confidence in our future and that we can do to maintain an affordable standard of services for our people. I believe the proposals outlined in the budget which I am placing before the members tonight will help accomplish these positive objectives.

As I have said, these are difficult economic times, and not just in Canada. We can sometimes be so preoccupied with our own problems that we fail to notice those of our neighbours. Yet their problems are vitally important to us because they have a profound impact on our own circumstances and on our abilities to pursue a strong economic recovery.

The world economy is struggling in the grip of a serious recession. The number of people out of work in the member nations of the Organization for Economic Co-operation and Development rose sharply to 25.8 million in the latter part of 1981. The United States, the world's largest and most vital economy and our major trading partner, has been in deep recession for the last six months. The average unemployment rate for the whole of the United States is currently at a post-war record of over nine per cent. The unemployment rate in the neighbouring state of Michigan, an auto-based economy, is over 16 per cent. When such conditions prevail in our export markets it is difficult for Canada's export-oriented economy to perform well.

The chief reason for this international recession is, of course, abnormally high real interest rates. In Canada, they are more than three times the average of the past 15-year period. While all sectors are adversely affected, the initial victims are industries such as autos, machinery, furniture, appliances, steel, metals, agriculture, housing construction and small business. These industries and their many suppliers are major employers. When their sales fall off, inventories accumulate and they are forced to slash production and lay off workers. This reverberates throughout the whole economy.

Real relief for the international economy awaits the reduction of interest rates to more

realistic levels. In this regard, a crucial debate is under way in the United States over the fiscal and monetary policies of President Reagan's administration. Some reduction in the projected massive federal budgetary deficit must occur before interest rates in the United States will fall to levels more conducive to economic growth. When they do, this will provide for a world-wide economic expansion, just as high rates triggered a precipitous decline. The underlying strength of pent-up demand supported by a high level of savings gives the North American economy a strong recovery potential.

The recent federal budget was formulated in the context of the very strong job creation performance of the first half of 1981. However, when the federal Minister of Finance brought down his budget in November 1981, the Canadian economy was already in recession.

Therefore, it did not address the economic conditions of the day. In my response to that budget, I warned my federal counterpart of the weakened state of the economy. High interest rates and sharp increases in domestic oil prices had already undercut the strong expansion of the first half of 1981.

In recognition of the state of the Canadian economy and the need to re-establish a climate of confidence, Premier Davis presented 45 specific recommendations to the February 1982 first ministers' conference on the economy. The priorities outlined by Ontario were: immediate actions for job creation; encouraging small business creation and development; increasing investment; developing human resources; enhancing trade and export opportunities; and restoring a climate of confidence.

We continue to feel that our proposals, which have received widespread support from the private sector, should guide economic policy in Canada. They have played an important part in shaping this budget.

Let me turn to my forecast for the Ontario economy.

While the last few months have been very difficult, there is now a strong potential for the economy to follow a recovery path throughout the rest of the year. Businesses have been meeting demand in large part by running down inventories, a process that I expect will end soon. This means that sales will increasingly be filled from current production, leading to the recall of workers. Also, the combined effect of tax cuts, increases in social security payments and higher defence spending in the United States should restore some momentum to that

economy. This, of course, will aid the recovery of Canadian exports.

Later in this statement I will outline a major job creation program, a new initiative for housing construction and an important incentive for small business that will also add significant stimulus to the Ontario economy.

Because of these factors and actions, the Ontario economy should strengthen during the balance of the year. Employment by year end should reach 125,000 over current levels. Real growth in gross provincial product in the second half of 1982 should be four per cent on an annual basis.

8:20 p.m.

Inflation is forecast at 10.7 per cent. While this is an improvement from last year's rate of 12.5 per cent, I am still concerned. The inflation we are experiencing is becoming embedded in the cost structure of our economy. This bodes ill for our long-term international competitiveness, especially as inflation in the US continues to moderate.

The Ontario economy faces great challenges, both in the long term and in the short term. In the long term, we must adapt to growing international competition and technological complexity. I will be proposing measures to address these issues. However, given the current state of the economy, we do have a responsibility to supplement our long-term efforts by taking immediate action to create jobs.

Accordingly, we are moving ahead with a comprehensive short-term employment creation program that I shall now outline for the members. This four-point program has been developed to achieve the maximum impact per dollar expenditure. It is targeted on those sectors of the economy where there is the highest potential for both direct and indirect job creation in our province.

In addition, the short-term initiative for employment will: focus on regions, industries and groups most affected by unemployment; provide useful jobs, not make-work projects; and be implemented quickly. To ensure these criteria are met, the Board of Industrial Leadership and Development will be co-ordinating the administration of our employment stimulation program.

For some time now, the province has been calling for the innovative use of unemployment insurance funds. A breakthrough was achieved earlier this year with the establishment of the accelerated forest improvement programs in co-operation with the federal government. Under

this arrangement, laid-off forestry workers are paid \$240 a week from unemployment insurance benefits, plus \$60 a week from provincial supplement to work on forest management projects. We want to see more of this kind of resourceful approach.

Therefore, we are establishing a new \$15-million co-operative projects employment fund to finance participation with the federal government in further projects. To start off, the Ontario share of the recently announced mining special employment program will be financed out of this fund. We are developing more temporary programs of this nature and, assuming we can continue to receive the same level of co-operation from Ottawa, my colleagues will be announcing more new programs in the next few weeks. I have set a target of 6,000 jobs to be created by this fund.

Accelerating public investment projects can make an immediate contribution to employment. Therefore, the second component of our employment creation program will involve a speed-up of capital projects in all parts of the province, with emphasis on those areas where unemployment is highest.

To accomplish this, I am providing an additional \$133 million to: accelerate repairs and additions to public buildings and other capital projects, including construction and maintenance of highways, roads, municipal bridges and water and sewage treatment projects; pay for renovation and repair projects sponsored by municipalities, school boards, universities and colleges; and provide for upgrading of forest and fishery resources. We estimate that this program will directly create 14,500 temporary jobs. Additional details concerning these initiatives will be announced by my colleagues in the next few days.

To recognize the fact that unemployment amongst young people has risen sharply in this recession, our youth employment programs, which are already substantial, will be expanded further. The allocation for youth employment programs for 1982-83 will be increased to \$91 million, a 14.2 per cent increase over last year. In total, some 93,000 young people will get jobs under these programs.

This government has demonstrated its commitment to our agricultural sector. We have responded quickly to assist farmers who were in difficulty because of the current economic environment. For example, under the 1981-82 emergency beef payment programs some \$57



million has already been paid to 30,000 Ontario beef producers.

Rather than wait until this budget, we took action last December with a new program to provide direct assistance to farmers experiencing extreme difficulty in coping with high interest rates. The farm adjustment assistance program has already provided assistance to hundreds of farmers. In total, I anticipate that, including funds already expended in the previous fiscal year, some \$60 million worth of assistance will be taken up by as many as 5,000 farmers.

Tonight, I am proposing \$11 million in additional measures to create jobs in our farming communities this summer.

First, I am increasing funds available for tile drainage by over 26 per cent. Second, there will be a new \$5-million farmstead improvement program, which will provide grants to farmers to improve their farms. These measures will create 2,100 additional rural jobs this year.

My colleague the Minister of Agriculture and Food (Mr. Timbrell) will be announcing details of these measures in the near future. He is also finalizing details of our new program for young farmers which was announced in the throne speech.

This government cares about creating jobs and is doing something about it. The four-point program I have just outlined will create 31,000 temporary jobs at a cost of \$171 million in this fiscal year. It will provide a needed bridge over troubled economic waters, particularly for many of our young people.

Let me now turn to another new initiative which will create jobs and help our young families.

High interest rates have led to high unemployment in the residential construction sector. We must maintain a solid base in this industry to ensure capacity is available to meet future housing demand. When people buy new homes, they not only create jobs in the construction, household furnishings and appliance sectors but also free up rental accommodation.

Tonight, I am proposing a new program whereby Ontario residents who have been renting for the previous 12 months or who have never owned a home will be eligible for an interest-free loan of up to \$5,000 upon the acquisition of a new house. This program, called the Ontario renter-buy program, applies to closings after today and will remain in effect for committed purchases made by October 30, 1982. Assistance will be limited to new homes

costing up to \$115,000 in and around Metro Toronto and \$90,000 in the rest of the province.

I estimate that this program will provide \$75 million for the purchase of 15,000 new homes which represent 38,000 man-years of employment. The rental units freed up by this program will help reduce the pressures in the rental market.

**8:30 p.m.**

The Ontario renter-buy program will be administered by the Ontario Mortgage Corp. under the direction of my colleague the Minister of Municipal Affairs and Housing (Mr. Bennett) and he will be providing full details tomorrow.

Additional actions to increase the supply of rental housing are under consideration. The Minister of Municipal Affairs and Housing has been meeting with his federal counterpart to ensure that effective and viable measures for Ontario will be forthcoming.

I would like to deal briefly with the question of existing home owners' mortgage interest problems. The federal government has introduced a program to help people who have extreme difficulty renewing their mortgages. Since this program was introduced early last month, hundreds of Ontario families have received assistance. Little would be gained by a provincial initiative that would duplicate a program that seems to be working. Nevertheless, the government is concerned about this situation and we are closely monitoring the progress of the federal program and the state of the mortgage markets.

I have proposed important new programs to create employment and to assist new home buyers. I have also reviewed our substantial assistance program for farmers. Later in the statement, I will outline an important new measure to assist small business. Now I wish to turn to revenue requirements for the current fiscal year.

In my budget last year, I documented the relatively slow growth of the Ontario revenue base. Inflation has a much more direct and immediate impact on our expenditures than it does on our revenues. When the deficit is under pressure, many will urge spending cuts before raising taxes. I totally agree with that approach, and that is what we have been doing. In fact, I would remind the members that in delivering a high level of services, Ontario spends less per capita than any other province in Canada. But we cannot always find all the required savings on the expenditure side of the ledger without

cutting too deeply into the social and economic programs that are needed.

The members will be aware of the stance this province has taken with respect to unilateral federal cuts in our transfer payments. I draw members' attention to budget paper B, which provides a complete perspective on the record and challenge of fiscal federalism in Canada.

Clearly, the federal action to withdraw some \$5.8 billion in support for health and post-secondary education over the next five years will make it harder to maintain national standards and inevitably will make it more difficult to ensure balanced economic growth across the country. Our share of this cut will cost almost \$300 million this year alone and some \$1.9 billion over the next five years.

At the January federal-provincial meeting of finance ministers, I illustrated that the cutback in transfers to this province was as large as the combined operating budgets of Ottawa, Carleton, Queen's and Western Ontario universities, with an overall enrolment of 58,000 students. In health, all 10 hospitals in the Ottawa area, with some 3,400 beds, incur operating costs which only account for two thirds of that federal cut in transfers.

It goes without saying that this government has no intention of making up these serious fiscal losses by large-scale closures of our hospitals and universities. But the federal cutback will coincide with lower growth in the province's overall revenue structure. So if we are to protect our levels of essential services and still maintain a stance of fiscal responsibility, we have no choice but to raise additional tax revenues.

In searching for a way to offset these federal cutbacks, I had to look at my chief sources of revenue: the personal income tax, the retail sales tax and the corporate income tax.

The need for Ontario to remain internationally competitive, as well as to repair the climate of confidence in this country, precludes any increases in corporate income tax. Also, the federal budget's changes to personal income tax investment incentives have left taxpayers confused and dismayed. I cannot add to this undesirable impact, nor do I want to snuff out the small flame of hope offered by federal cuts in marginal rates, by increasing Ontario's personal income tax rate. This leaves the retail sales tax as the only alternative.

A one-point increase in the retail sales tax rate would provide adequate replacement for lost federal transfers. I have carefully consid-

ered this option and have rejected it. Therefore, I have sought another option which keeps Ontario's sales tax rate at seven per cent.

I have concluded that the best way of recovering the lost revenue is to broaden the retail sales tax base. It was not an easy decision, but I am convinced it is better to bring certain items to tax than to raise the general rate.

I am now proposing to eliminate the exemptions for a number of items. These are discussed in more detail in the tax appendix to the statement but they include: certain household and personal hygiene products; building materials and certain other items purchased by publicly funded bodies such as municipalities; plants and household pets; cloth and clothing patterns; magazines; and items such as storm doors and windows, thermal insulation, chillers and wind deflectors for trucks.

At this point I should pause and give special recognition to my predecessor John White. He has beside him the predecessor of all of us and the originator of Treasury, James N. Allan, the most dearly loved. I just hope that when I am 62 I will look as well as he does.

I propose, however, to enhance the province's commitments to promoting alternative transportation fuels. The present retail sales tax exemptions for licensed motor vehicles powered exclusively by non-petroleum-based fuels and for kits used to convert vehicles to utilize those fuels will be broadened to include licensed vehicles with dual-fuel capacity and dual-fuel conversion kits.

Another retail sales tax action I am taking in response to federal cutbacks relates to soft drinks, candy and confections. These items currently have a special exemption level of 49 cents. I am proposing that this level be reduced to the general exemption level of 20 cents applicable to all sales and that the list of taxable confections be expanded.

These changes will become effective midnight tonight.

I am also proposing that effective June 14, 1982, the taxation of services be expanded to include the labour content of the repair, maintenance and installation of tangible personal property. This means that the labour charged to carry out repairs to cars, trucks and most appliances will be taxable.

These changes will yield some \$230 million this year. The revenue yield will be somewhat less than the projected losses resulting from the



removal of the revenue guarantee by the government of Canada.

**8:40 p.m.**

I should make it clear to people that I am not changing the long-standing exemptions for food, children's clothing, fuel for heating and lighting, prescription drugs and medical appliances.

I should also like to propose a number of other measures to improve our revenues. One of these measures involves the hospitality industry. In my view, it is no longer appropriate to tax prepared meals differently on the basis of price. Therefore, I am proposing to apply the retail sales tax to all prepared food and meals at the single rate of seven per cent. Prepared meals will include those served by restaurants, cafeterias and caterers, and all take-out food.

The province will realize an additional \$110 million from this action this fiscal year.

The members will recall my reimposition of the retail sales tax on accommodations in January of this year. I have reviewed this move in the light of the needs of the tourist industry. In my view, some modification is necessary to help the hospitality industry to remain competitive with respect to international conventions. Therefore, I propose to reduce the rate on transient accommodation from seven per cent to five per cent. This change will create a \$10-million incentive for tourism. The effective date for implementation will be June 14, 1982.

The Minister of Revenue (Mr. Ashe) will bring forward legislation to implement all these retail sales tax changes.

One message I get loud and clear as I travel through this province is that people want us to maintain our quality health care system. This cannot be done without adequate funding. Last year, our health expenditures increased by about 18 per cent and the system continues to experience cost pressures. In order to maintain the funding of a reasonable share of costs from the Ontario hospital insurance plan premiums, rates must be adjusted.

Effective for the benefit month of October 1982, monthly OHIP premiums will be increased by \$4 and \$8 for single persons and families respectively. Additional revenues from this rate increase will be in the order of \$170 million this fiscal year. I would remind the members that, despite this rate adjustment, premium revenues will cover less than 20 per cent of total health costs, compared with 23 per cent in 1979-80.

All residents of this province who now benefit from the system of premium exemptions will continue to do so. This means that all senior

citizens, individuals experiencing temporary financial difficulties, social assistance recipients and their families will continue to receive a waiver of premiums. Individuals with low incomes will continue to benefit from premium assistance. I also point out that 70 per cent of premiums are paid by employers.

While I continue to believe our premium system is a good one, I know that some members would disagree. In a spirit of open consultation, I am tabling a staff discussion paper which deals with the question of substituting a payroll tax for premiums. I will elaborate on this paper later in my statement.

I also propose to increase revenues from alcohol and tobacco.

With respect to alcoholic beverages, I am making changes that will increase revenue by an estimated \$27 million this year. The changes are effective May 25, 1982. Markups on domestic spirits will be increased by five percentage points, which amounts to an increase of about 30 cents per 25-ounce bottle. Markups on imported spirits will be increased by three percentage points, which amounts to an increase of about 25 cents per 25-ounce bottle. The licence fee on domestic beer will be increased by 1.2 percentage points, resulting in an increase in the retail price of 15 cents per case of 24.

With respect to tobacco, I am proposing that, effective midnight tonight, ad valorem rates of tax on cigarettes and cut tobacco be increased to 40 per cent. This will result in a tax increase of about 3.5 cents per package of 20 cigarettes. The extra yield is estimated at \$30 million in this fiscal year. Wholesalers will be required to declare their cigarette inventories and to remit the appropriate tax. Legislation to effect this tobacco tax change will be tabled by the Minister of Revenue.

The members will be aware that a new system of motor vehicle registration has been announced by my colleague the Minister of Transportation and Communications (Mr. Snow). For the 1983 registration year, the proposed annual motor vehicle registration fees are as follows: \$48 for passenger cars and for lightweight commercial vehicles used for personal purposes registered in southern Ontario, while for such vehicles registered in northern Ontario the fee will be \$24; \$72 for commercial motor vehicles weighing 3,000 kilograms or less, and \$24 and \$6 for motorcycles and mopeds, respectively. The revenue yield of the motor vehicle registration fees under the proposed system will be comparable to that of the old system.



Before turning to other matters I would like to discuss briefly options for change in Ontario's tax structure. We live in a world where things are ever-changing.

**Mr. R. F. Johnston:** Except for Tory budgets.

**Hon. F. S. Miller:** Except for Tory government.

We live in a world where things are ever-changing. An important and disturbing development is that our federal government is apparently redirecting its economic priorities and indeed may have transmogrified the very way in which it views our Confederation.

**Mr. Elston:** Do you know what that means, Frank?

**Mr. J. A. Reed:** Tell us what the word means.

**Hon. Miss Stephenson:** That's a very good word, Frank. Thank you.

**Hon. F. S. Miller:** My staff each year feel they have a responsibility to increase the vocabulary of all the members of the House by at least one word. This is the word for this year.

Amidst these developments, it is important for me as Treasurer to examine our taxation system to see whether it is appropriate to this changing environment. If it is not, then we must consider making alterations, even fundamental ones.

I must be concerned not only about what change might be appropriate but also how major taxation change is made. Since the federal budget last November, all of us in Canada have witnessed with anguish what happens when sweeping tax moves are introduced without prior consultation. When governments try to rewrite fundamentally the tax laws, I feel they must work together with citizens in a co-operative manner. Those directly affected, not just bureaucrats and politicians, must have a real say in these matters. I hope that the recently tabled federal discussion paper suggests a new awareness of consultation by our national government.

Ontario believes in the consultation process. To that end, I am tabling today a discussion paper on two important areas of taxation in Ontario. I hope this paper will stimulate discussion so that all of us in Ontario can determine what is best for our province's future. The paper deals with two issues. It discusses how Ontario could replace its existing OHIP premium structureh a health care payroll tax and shows, from a technical point of view, the impact of one way in which this could be done. In the field of personal income tax, it discusses the potential

problem of continuing to be a participant in an income tax system that may not be suitable to the economic needs of Ontario.

**8:50 p.m.**

I emphasize that this paper is presented for discussion and does not reflect the government's policy at this time. In the case of health financing, I have doubts about the wisdom of abandoning our existing premium system. Nevertheless, I am asking those interested in the issues raised in the paper to submit briefs to me by the end of 1982. In the case of a possible Ontario-run personal income tax, I have asked the Ontario Economic Council, chaired by Dr. Thomas Courchene, to review the economic implications of this matter and to report to me by December.

I would now like to turn to another matter of utmost concern to this province and this nation, that of restoring a climate of investment confidence.

Before I am accused of fed-bashing, let me say that Ontario has a long and honourable record of supporting the powers required by the government of Canada to govern our country and to manage its economy. There is no question that occasionally we have differences of opinion. I believe it is important that they be fully aired. There is nothing wrong with that. It is the nature of democracy in a federal state. The fact that we can have such open and honest debates within the Canadian family simply reflects the strength of our country.

I wish to point out that Ontario finds itself in serious disagreement with Ottawa on two fundamental matters of economic policy. One concerns the federal government's apparent preference for a national industrial strategy based primarily on the resource sector. The other relates to its apparently negative attitude towards private investment.

I need hardly point out that Ontario supports the continued development of a strong resource economy in all parts of Canada. We want to see further development of energy resources in the west, off the east coast and at the frontier. However, we are concerned that such policies not be pursued singlemindedly by the national government. It must continue to recognize the importance of manufacturing to Canada's economic future.

We believe that private investment from both domestic and foreign sources will be required to create the large number of new jobs our people need. Therefore, our national policy should be carefully tailored to encourage productive invest-



ment from all sources. Canadianization should be a long-term goal that does not have features that are seen by international investors as unfair. Also, Canadians themselves must have the appropriate incentives to invest in their economy.

In line with these considerations, I would now like to discuss our own policies for industrial development and the stimulation of investment.

Through our BILD program, we have made a major commitment to supporting a climate of confidence and to stimulating long-term economic development. Our progress is summarized in budget paper C, which I am tabling with this statement. The highlights of our recent initiatives under this program include:

- A new \$5-million program that is funding, through our community colleges, a high-technology training program for 12,000 workers;

- The stimulation of \$60 million worth of investment in 10 new food processing facilities;

- The development of a new energy park at the Bruce nuclear station;

- The upgrading of six municipal airports;

- Financial support for new convention centres in Toronto and Ottawa; and

The launching of new technology centres for microelectronics in Ottawa, for computer-aided design and manufacturing in Cambridge and Peterborough respectively, for farm technology in Chatham, for automotive parts in St. Catharines and for resource machinery in Sudbury.

BILD provides us with a way of involving business, communities and government in realizing our long-term economic development potential. Since its inception, BILD has initiated 66 specific programs. These initiatives are creating jobs in Ontario right now and will create many more in the future.

It is vitally important that our corporate income tax policy be appropriate to our economic requirements.

Since last November, I have repeatedly asked Ottawa to reconsider some of its proposed changes to corporate income tax. I am disturbed about the impact of the capital cost allowance changes on investment in the Ontario manufacturing sector in general and the steel and auto industries in particular. Moreover, the proposed change in definition of resource income will have a further damaging effect on our steel industry which, through the direct employment of 50,000 people and indirectly many more, is one of the great strengths of the Canadian economy. I am also concerned about the inade-

quacy of proposed reserve provisions for the disposition of property.

I am encouraged by the fact that no federal legislation has been tabled to date. It is not too late for the federal government to introduce measures that will encourage, not discourage, capital investment and will assist, not penalize, Ontario's industry.

Meanwhile, I am proposing that certain federal proposals not be paralleled in Ontario's corporate income tax system. The tax depreciation in the year of acquisition of capital assets will not be reduced. No change will be made to the definition of resource income for the steel industry. No change will be made to existing reserve positions. With these actions, the province will forgo an estimated \$135 million in revenue this fiscal year.

I regret that these steps will reduce the harmony of our federal and provincial tax structures, but I will not propose that this House parallel, in the Corporations Tax Act, measures that could damage employment and investment prospects in Ontario.

The availability of sufficient equity capital to the private sector has to be a priority of all governments in Canada interested in preserving and creating jobs. Current high interest rates and the economic slowdown only reinforce the importance of generating equity capital. Without sufficient equity, businesses become too dependent on debt financing. When interest rates rise dramatically, this results in a cash flow squeeze and sharply curtailed business activity.

Ontario has already taken important steps to improve the flow of equity capital to small businesses through the small business development corporations and the Ontario mineral exploration program.

These programs were introduced to compensate for the lack of an effective national policy and to encourage stock ownership. I remain convinced that the federal government has the responsibility and the means to provide such support, not only for small business but also for Canadian business of all sizes. I strongly recommend to the Minister of Finance that he institute a program that would provide a substantial income tax incentive for people to buy common stocks. Ontario is prepared to work with Ottawa in designing an effective mechanism and to bear its share of the cost of such a program.

I mentioned earlier that I would be proposing a major new incentive for small business.

In recent years, more than 50 per cent of all



new jobs in this province have been generated by small business. Small business is the heart of entrepreneurial drive and spirit which has developed our economy and which will build it in the future. As I examine the current situation of small businesses, I find great cause for concern.

To improve the confidence of small business people, to give them the incentive, desire and resources to weather the storm, to improve productivity through investment and, most important, to continue to preserve and create jobs, I am proposing to remove the corporate income tax on small businesses in Ontario.

9 p.m.

This substantial incentive will be in place for the next two years. Instalment payments will be cancelled over the period of the tax holiday. Tax already paid during the current business year will be refunded.

This means that small businesses will not pay any provincial income taxes on funds reinvested in the business. Of course, funds paid out in the form of dividends and income will be taxed as personal income.

By abolishing their corporate income tax, I am returning more than \$250 million this year alone to some 60,000 small businesses. In so doing, we are saying to small business people that there is one government that believes in them and in their desire and their ability to succeed and to create jobs for our people.

Before concluding, I would like to deal with the issue of public sector restraint. The major theme of this budget is getting people back to work. Economists do not agree on many issues, but there is one on which they are unanimous. Continuing high inflation is destroying jobs and is preventing the creation of the new jobs our people need.

To get our inflation under control there is a strong need for those who are employed, both in the private and public sector, to exercise restraint in wage demands. This applies equally to employers with respect to prices.

It is a time when we must appeal to the sense of community of all our people. It is a time when we must ask everyone to demand a little less of the system and to put a little more back into it.

I would like now to address my attention to what this means for our public sector. I am referring here to the public sector in the broadest context, namely all those activities which are financed largely by tax dollars. Employment in the public sector has one advantage that most private sector employment does not have—a considerable degree of job security. It can be

argued that those insulated from job insecurity should not be fully protected against inflation when many taxpayers are facing reduced work hours, lower or no salary increases, or layoffs.

Ontario has led the way in the past with restraint of public sector growth. I now serve notice to all recipients of provincial funds that they should not count on future funding at or above inflation rates. If we did so, we would doom our economy to continuing high inflation and high unemployment.

In this approach, we feel that we are not asking those in charge of public programs, funded by the taxpayers, to accept any more stringent requirements than we have imposed on ourselves as a government. Over the last seven years, the number of our public servants has actually been decreased by six per cent, from 87,000 to 82,000, at a time when the general population has increased by six per cent.

Interjections.

**Hon. F. S. Miller:** Look at your friends in Ottawa. Just do not talk too much; they are a millstone around your neck and you know it.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** The salaries at the most senior levels in Ontario have grown at less than half the rate of inflation, not only in the last few years but since 1973.

It is a simple and well-known fact that one of the causes of inflation has been the failure of the government of Canada and certain other areas in the public sector to exercise similar restraint in both numbers and salaries. At the highest level in the government of Canada and in some of the other provinces, salaries are from \$20,000 to \$25,000 in excess of those paid in Ontario.

We have talked about the public sector, but we must also consider the total economy. Wage and price restraint in all sectors will be essential if we are to avoid pricing our economy out of international markets. In this respect, we are one of the most export-dependent jurisdictions in the world. We depend upon exports for some 30 per cent of our gross national product, compared to the United States at 12 per cent.

Currently, we are hearing arguments supporting wage and price controls. It is surely preferable, at this time, to see a serious effort made by all sectors to exercise voluntary restraint in the interest of the common good.

If we are asking people in all walks of life to exercise restraint, we must begin with ourselves. At the more senior levels of government, wage



restraint, as I mentioned, has since 1973 kept our people behind many other governments and far behind the private sector. In the normal course of events, therefore, salary adjustments to these groups would have been at least in the range of settlements already negotiated for the unionized bargaining groups. However, because of the severe economic conditions we now face, we will be cutting these increases to six per cent this year. This will apply to the top levels of the public service. Flexibility will be introduced to allow somewhat higher adjustments in the lower ranges of the nonbargaining group.

We recognize that for our senior employees this is a serious and further imposition. As the economy improves, the province will undertake to review the salary inequities that have been shouldered by this group. However, we believe that during tough times the public sector must be prepared to show tough leadership.

We also feel that those of us in this House must demonstrate our recognition of the adverse economic situation as well. Each year the election expenses committee of the Legislature recommends increases for the members. This year the recommendation is for nine per cent. The government will propose to the Legislature that the members also set an example and agree that this award be cut to six per cent.

[Applause.]

Interjections.

**Mr. Speaker:** Order. The Treasurer.

**Hon. F. S. Miller:** By the way, I hope the record shows this side supported that change and that side did not.

**Mr. Foulds:** We're going to eliminate all parliamentary assistants, are we?

**Mr. Speaker:** Order. The Treasurer.

9:10 p.m.

**Hon. F. S. Miller:** We expect municipal councils, boards of education, universities, colleges, hospitals and all those agencies funded principally from taxes, to review carefully their compensation plans and to show similar restraint. It is also our view that all agencies of the crown, corporations whose members are appointed by the government and bodies receiving the majority of their operating budgets from public funds, should follow the example of this government by publishing all senior salaries above \$30,000 in some form of "public accounts."

A sunshine law on public agency incomes within provincial jurisdiction will, therefore, be presented to the Legislature. This will require

the filing with the government of the total compensation package for all individual employees receiving over \$30,000, by range. The legislation will require information on senior public sector remuneration in 1981, compared with the results that are achieved in 1982 and in subsequent years.

With respect to direct provincial programs, we intend to initiate a thorough-going analysis of options for trimming expenditures and introducing more efficiencies. This review will be under the direction of my colleague the Chairman of the Management Board of Cabinet (Mr. McCague).

We hope similar actions and examples can be accomplished by the federal government and other governments in Canada, as well as by the private sector.

Let me summarize the government's fiscal plan for 1982-83. I am projecting overall expenditures to increase by 11.6 per cent and revenues to go up by nine per cent. I am planning for a deficit of \$2.2 billion which is approximately equal to the level of capital investment to be undertaken this year. The \$672-million increase in net cash requirements over last year will provide a necessary economic stimulus.

I am pleased to note that the province will finance this level of cash requirements through nonpublic borrowing and liquid reserves. Our continuing policy of restraint has paid off. Now that we need to increase the deficit temporarily to accommodate difficult economic conditions, we have the flexibility to do so without putting our financial position in jeopardy.

Ontario's record of debt management and capital investment is discussed at some length in budget paper C. It shows that we have managed Ontario's finances effectively and have ensured that borrowing over the past decade has been prudently held below the level of public capital investment.

Monsieur le président, je voudrais résumer en français les principales parties de mon budget. Ce budget a été mis au point dans un contexte économique difficile. L'ampleur des défis que l'économie ontarienne doit relever ne saurait être mise en doute. Mais je suis persuadé que le présent budget nous placera en meilleure position pour en sortir vainqueurs.

Le thème principal autour duquel gravite le budget est la création d'emplois. Un programme à court terme de création d'emplois viendra épauler 31 000 Ontariens en attendant la relance prévue de l'économie.

Interjection.

**Hon. F. S. Miller:** Mademoiselle, si vous voulez parler en français avec moi je serais très content.

Des prêts sans intérêts seront consentis pour encourager les ventes de logements neufs et l'abolition de l'impôt sur le revenu des compagnies en faveur des petites entreprises contribuera également à la création d'emplois en Ontario. L'augmentation prévue du déficit viendra stimuler l'activité économique en général.

Simultanément, je me préoccupe aussi de la nécessité de contrôler l'inflation. J'ai soigneusement limité la croissance des dépenses publiques conformément à des normes de gestion avisées et j'ai procédé à un nombre modeste d'augmentations de recettes. J'ai mis de l'avant d'autres politiques d'imposition visant à améliorer le climat de confiance.

Le programme de restriction des salaires proposé aux membres de l'Assemblée législative et aux cadres supérieurs de la fonction publique démontre la volonté soutenue de notre province de franchir ces étapes exigeantes qui revêtent une importance cruciale pour faire échec aux pressions inflationnistes qui s'exercent sur l'économie.

Les Ontariens savent qu'aucune province n'a le pouvoir de résoudre tous les problèmes économiques auxquels nous sommes confrontés. Je suis fermement convaincu cependant que le budget de la province de l'Ontario pour l'année 1982 vient consolider la tradition de gestion fiscale avisée de l'Ontario tout en améliorant

l'économie en général et le marché de l'emploi en particulier.

In conclusion, this budget has been crafted in some of the most difficult economic times facing Ontario and Canada. Nevertheless, the budget I place before the House fashions economic and financial policies to meet the challenges of today and tomorrow.

It provides investment incentives to create jobs in the future. It shows leadership in restraining the public sector. It provides for an expansionary deficit to stimulate the economy, while remaining true to our solid tradition of sound financial management. It continues and strengthens our commitment to the farming community.

It avoids major tax increases or reductions in public services despite federal cutbacks. It helps to restore confidence in our manufacturing industries. It creates 31,000 temporary jobs in Ontario. It helps 15,000 families buy new homes and creates thousands of needed jobs in the construction industry. It totally eliminates provincial corporate income tax on our small businesses.

[Interruption.]

**Mr. Speaker:** Order. I ask the co-operation of our visitors in the gallery in refraining from demonstrations of any kind.

On motion by Mr. T. P. Reid, the debate was adjourned.

The House adjourned at 9:19 p.m.



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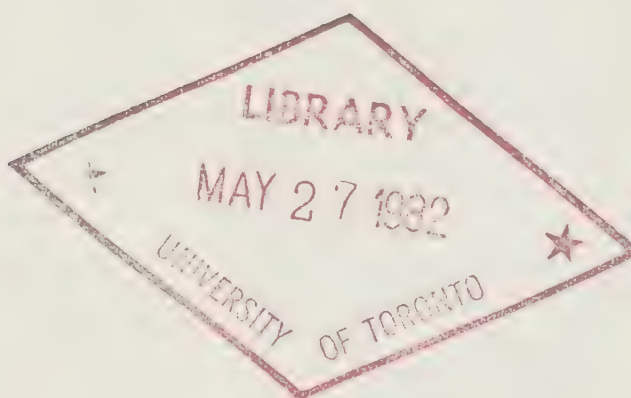




No. 50

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Friday, May 14, 1982

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Friday, May 14, 1982

The House met at 10 a.m.

Prayers.

## STATEMENT BY THE MINISTRY

### CHALLENGE 2000 PROGRAM

**Hon. Mr. Bennett:** Mr. Speaker, in the budget address the Treasurer (Mr. F. S. Miller) announced one specific housing program and indicated that I would be commenting further today. The provision of housing in this province is a complicated, large-scale task. We must meet the needs of people with many levels of income and many different lifestyle preferences.

In addition, housing is part of the physical fabric of our communities. To a large extent, the appearance and personality of our cities and towns is determined by planning decisions on housing. We should not forget that the creation of housing provides employment to tens of thousands of Ontarians in construction and in the supply of materials and, later, in furnishings and appliances for new homes.

An undertaking of such importance requires the consolidated efforts of government at all levels, of the industries involved and of individual citizens involved in the acceptance of change and progress in housing.

During a recent series of meetings with the mayors of Metro Toronto and the chairman of the Association of Municipalities of Ontario, the job of providing housing to Ontarians was described as a "shared challenge." That is exactly what it is. Under the umbrella title Challenge 2000, I would like to outline the direction in which my ministry is moving to help meet the housing challenge of this province.

Challenge 2000 is partly program and partly attitude. It is a combination of incentive funding and inventive leadership. It is a program of education and a focal point for housing action. Here are some of the actions to be undertaken through the Challenge 2000 program.

The first is the renter-buy program, announced in the budget, which meets three specific challenges:

1. It helps provide jobs for our construction trades, hard hit by the federal government's high interest rate policy. We estimate this program represents the generation of some 38,000 man-years of employment.

2. New home buyers will be able to own their own homes sooner than they may have planned.

3. Rental units will be made available for those who need them.

The specific details of this and the other initiatives should be in the mail boxes of the individual members but, in general, this ministry will provide \$75 million in interest-free loans to citizens at present living in rental accommodation and who want to buy a new house.

Looking ahead, we see the need for continuing improvement of the utilization of existing land and building stock. To assist municipalities, developers and financial groups find new, innovative ways to use existing land for rental housing, we are introducing the "inno-rent" initiative.

It may be that better use of shopping centre lands is an answer in one community; in another, air rights over transportation corridors might be used for housing. There are many innovative ways to build new rental accommodation and this program will encourage such efforts. Challenge 2000 has designated \$48 million to help fund projects which will set the pattern for more efficient land use in the future.

We must also recognize that one of the best ways to provide housing, particularly rental housing, is to upgrade what we have. Of course, my ministry already has the Ontario home renewal program, OHRP, which will continue to be used to assist low-income home owners keep their homes in good repair. Today, I am pleased to propose a \$9 million "renthab" program that will encourage rehabilitation and preservation of rental units in existing buildings while at the same time helping to discourage demolition of older rental buildings in our province.

Another sum of approximately \$1 million will be made available as part of Challenge 2000 to undertake demonstration projects which can overcome constraints to housing conversion such as zoning impediments, building and renovation code issues and public attitudes. These projects will be designed to create new rental units from existing housing.

Challenge 2000 also includes some challenges to the financial community. It is important that



the lenders find new ways to help provide housing in this province. It is my plan to encourage and, where possible, take the leadership in financial innovation in the housing field.

In that regard, on behalf of the Ontario Mortgage Corp. I am announcing today that clients of that crown corporation will be able to repay mortgages on a weekly basis if they so choose. Such a schedule allows for faster payment of the total mortgage and results in a major reduction in the total interest paid. I hope the private sector will follow our lead. At this time, I compliment those smaller credit unions in this province which have already implemented this program, on a limited scale, in their portfolio.

It is the intent of this umbrella program to make available up to 20,000 rental units throughout the province. As well as representing upwards of 50,000 man-years of work in the housing industry, it will provide a new direction and spirit of co-operation among all levels of government, industry and the general public.

I feel it is obvious that this government is moving to meet the challenge to provide housing in this province. It remains for our colleagues in the federal government to take up their share of this challenge.

They could start by reducing interest rates, as there is no factor which works against housing action today as much as the high cost of money. The federal government continues to insist that high interest rates are necessary in some sectors of the economy. I suggest they separate mortgages for individual home owners from other forms of loans and bring down the rates for individual mortgages. The next move is up to the federal government in this particular case.

**10:10 a.m.**

I should also tell the Legislature that my ministry's new programs make allowance for a specific federal government pledge. The federal minister responsible for Canada Mortgage and Housing Corp., Mr. Cosgrove, made a commitment to myself and to this government to deliver in this province under the Canadian rental supply program 10,000 new rental units to be commenced in 1982.

In turn, the federal minister asked very positively that Ontario not participate in this category of provision of rental units. The federal government has copied the Ontario rental construction program of a year ago, but it has insisted that we do not—neither this province nor any other province—piggyback that rental supply program.

I want to inform the House that we are willing

to do exactly as requested by the federal government in this case, but I also want to make it clear that we are holding Mr. Cosgrove to the firm commitment of the provision of 10,000 rental units to be commenced under construction in 1982 in our province. For our part, with the introduction of the Challenge 2000 concept, we intend to ensure that the people of Ontario continue to be housed as well as any group of people in this world.

#### POSSIBLE BUDGET LEAKS

**Mr. T. P. Reid:** Mr. Speaker, I rise on a point of order, one which I brought to the House's attention last Monday. I would like to raise that again because certain circumstances have happened that are very disturbing. Again, it refers to the business of the confidentiality of the budget process.

To put it in context, particularly for the odd apologist for the government in the galleries, the confidentiality of the budget is absolutely necessary so that there is no insider information or anyone able to take advantage of any tax changes or government initiatives that might take place. That is the primary reason there should not be any budget leaks.

On Monday, there was an article in the Toronto Star headlined, Budget to Offer No-Interest Home Loans: Builders. I said at that time if the figures in that article were close to what the Treasurer (Mr. F. S. Miller) was going to reveal last night, then there obviously was a good possibility of a budget leak.

The article said that the government has budgeted \$75 million to \$100 million for this program. As we heard last night, the government budgeted \$75 million. It said that first-time buyers would get a grant of perhaps up to \$7,500. They got \$5,000.

Further to that, in an article by Rosemary Speirs in yesterday's Globe and Mail she was quite accurate in predicting there would be sales tax increases on a plethora of articles that had heretofore been exempt and even named some of them exactly.

**Hon. Miss Stephenson:** Why are you decrying her abilities as a prognosticator?

**Mr. T. P. Reid:** I am not, she is a very good reporter; but the fact is these are specifics that were in the budget.

Third, in this morning's Globe and Mail, which is actually the bulldog edition which hit the streets in Toronto about 9:30 last night, there is a quarter-page ad by the Ministry of Revenue outlining the new tax increases. They



wanted to be sure the Ontario public had the good news already.

In checking with the *Globe and Mail*, I am informed that they will not hold the presses or hold space for an ad, even for the government of Ontario, unless it is an obituary.

**Mr. Sweeney:** That is what it was!

**Mr. T. P. Reid:** Unless it is a death.

That leads us to two conclusions. One is that there was a budget leak, or people knew about it in advance of the Treasurer reading his speech. The other is that the *Globe and Mail* looked upon it as a death. They have two black mastheads and, when one reads the budget, one can consider it was the death of the provincial economy and the death of the low-income person in Ontario.

The press and the two opposition parties go through an elaborate process on the day of the budget. We go into the lockup; we have to sign in; we get badges; we get terrible food; but we are in there for six hours. If one has to go to the washroom—and believe me one got very nauseous reading that budget yesterday, so there were a lot of trips—one is taken by a security guard right into the washroom, and watched while one performs whatever ablutions one has to, then escorted back. If this elaborate process is all window-dressing, let us do away with it.

**Mr. R. F. Johnston:** Tax it, tax it.

**Mr. Foulds:** You are going to have to pay a tax on that.

**Mr. T. P. Reid:** I understand the New Democrats would have gone bankrupt after what they did yesterday in there.

The point is there appear to have been budget leaks. In this budget perhaps there might not have been much chance to take advantage of the tax change or the programs that are available, but the fact is that over time there may be an advantage to somebody, people with inside information who have advance knowledge of the budget. It is a very serious problem. Mr. Speaker, I bring it to your attention and to the attention of Treasurer, and I hope he will respond.

**Hon. Mr. Davis:** Mr. Speaker, to speak very briefly to that point of order, I understand the honourable member raised this with respect to one rumour concerning, as he phrased it, grants to builders. There was a story in the *Toronto Star* speculating about grants to builders. The program the minister has announced this morning quite obviously deals with no-interest loans to purchasers. Even the member for Rainy

River can draw some modest distinction between that and—

**Mr. T. P. Reid:** No, it was interest-free home loans to the home owners.

**Hon. Mr. Davis:** The member read out to me “to builders.” That is all I heard him say and the *Instant Hansard* will show he quoted to me “loans or grants to builders.” There are no grants to builders.

It is quite obvious that there have been discussions for some time, Mr. Speaker, if you read that story carefully and look at a story that was in the same newspaper some three or four weeks ago. It quoted some people in the development industry and some of the representations they made as to how the industry might be stimulated, so you could draw certain parallels.

There is no question there were discussions with the development industry. There is no question that the Treasurer of this province is taking a far more sensitive and intelligent approach than was taken by the Minister of Finance in Ottawa.

If the federal minister had consulted with the development industry, he would not have had the multiple-unit residential buildings program in such disarray that he had to back down the day after and recognize that he had not consulted with Canada Mortgage and Housing Corp. and others. As a result, the MURB program that was to come to an end at midnight that evening had to be reinstituted, and holes dug in the ground by January 1. It just shows how much better it is to deal in a consultative fashion. To say this represents—

**Mr. T. P. Reid:** We are not arguing that point and you know it.

**Hon. Mr. Davis:** It is true. The member can spend all his time defending his friends in Ottawa, but they handled it very poorly. To constitute this as a leak, I would say with great respect to the member for Rainy River, is silly. I cannot describe it in any other fashion.

**Mr. Foulds:** Mr. Speaker, I have one brief comment on this exchange. We in this party believe the Treasurer should resign, not so much because of the process of the budget but because of the substance of the budget.

**Mr. Speaker:** I would point out to the member for Rainy River that this is not, in fact, a point of order. It would be more properly a question that should be directed to the Treasurer during question period. It is obviously something that is beyond my authority to deal with.

10:20 a.m.



## ORAL QUESTIONS

## BUDGET

**Mr. Peterson:** Mr. Speaker, it is good the Premier is here to help the Treasurer because he is going to need all the help he can get over the next little while.

I have a question for the Grinch. The Treasurer is aware there are hundreds, indeed thousands, of home owners in this province who are under tremendous pressure just to hang on to their homes. He is aware of the tremendous pressure on farmers and small businessmen, a lot of whom are not making any money and who will not get the benefit of the tax forgiveness program. Why did he not set aside some funds to assist those people to survive now, or is he just prepared to let them go?

**Hon. F. S. Miller:** Mr. Speaker, I pointed out I was not able to solve all problems for all people, nor did all problems fall within my jurisdiction.

The honourable member knows as well as I do that the major problem facing all those people is the rate of interest. He also knows that is and continues to be a federal responsibility. We have been encouraging some action at the federal level to reduce that. Instead of that, we have seen consistent mismanagement of the Canadian economy, particularly in the last week, forcing a sudden outflow of Canadian funds due to a panic in that confidence, causing a drop in the Canadian dollar and causing yet again an increase in Canadian interest rates yesterday. That is federal.

I also pointed out in my budget text, and I am sure the member saw it, that because the federal government does have a program to help those people whose mortgages are over 30 per cent of their income, we felt we should at least monitor that program before jumping in. Last of all, the assumption that a few dollars here or there would solve those problems is totally inaccurate. He knows it involves billions of dollars.

**Mr. Peterson:** The Treasurer's priorities are to throw out a few dollars here and then look for the political credit in a variety of other areas. He is prepared to initiate those kinds of programs where he thinks he can extract a couple of cents worth of political credit or appeal to the larceny in people's souls to build the housing industry. At the same time, he is whacking people in this province with outrageous tax increases that I think are unconscionable.

At a time of recession in this province, how can the Treasurer extract all these consumption taxes and regressive taxes from those people

least able to pay? He is increasing the personal income tax take by 13 per cent this year, retail sales tax take by 28 per cent, gasoline tax by 22 per cent, motor vehicle tax by 25 per cent, Ontario health insurance plan premiums by about 18 per cent. He is extracting in those categories alone close to \$2 billion more out of the public hide, out of people who cannot afford it. How can he justify that perverted sense of priorities when we are in such serious trouble in this province?

**Hon. F. S. Miller:** My friend has quoted a lot of statistics. Of course the return from sales tax will go up this year, because there was a major sales tax holiday last year for seven months. Obviously many items were not taxed at all until June 30 and they will be in the tax base this year.

Second, I think it was wiser, and I will continue to defend this, to maintain—

**Mr. Peterson:** You are taxing kids, for God's sake.

**Hon. Miss Stephenson:** Where? For chocolate bars and soft drinks. It is better they do not have them.

**Mr. T. P. Reid:** Hamburgers, cafeteria lunches and everything else.

**An hon. member:** It's a Big Mac attack.

**Mr. T. P. Reid:** It's a mean budget.

**Hon. F. S. Miller:** A mean critic.

In any case, the tradeoff I was faced with was an increase in the overall sales tax rate or an expansion of the base. I point out to the member—

**Mr. Peterson:** That wasn't the question—

**Hon. F. S. Miller:** Will you let me answer the question? I am polite when you are on your feet. You learn to be polite when I am on my feet.

**Mr. Peterson:** Answer it intelligently then. You are worse than John White.

**Hon. Miss Stephenson:** You are almost as adolescent as your former leader.

**Hon. Mr. Ashe:** Almost, but not quite.

**Mr. Gillies:** Bring back Stuart.

**Mr. Mackenzie:** Let's get back to the budget.

**Mr. Speaker:** Order. I would point out to all honourable members that surely, if in no other place, we should be able to expect free speech in this chamber.

**Mr. T. P. Reid:** The only thing he has not taxed is free speech.

**Mr. Speaker:** I would point out to the member for Rainy River, he is indeed taxing me.

It is your question period; you may use it as

you wish, but I would implore you to use a little common sense and certainly set an example for those people who may be observing from the public galleries.

**Hon. F. S. Miller:** I think I generally do try to sit quietly while the Leader of the Opposition poses his questions. I would suggest that the order of the House is much better when he allows me to answer, even if he does not like my answers; that is part of the process. It is much better for those who watch and for those who participate.

**Ms. Copps:** Don't lecture us, Frank.

**Hon. F. S. Miller:** The member for Hamilton Centre lectures me constantly and one day she will learn she is not always right.

**Mr. Speaker:** Would the Treasurer get on to the question?

**Hon. F. S. Miller:** I have simply said there were tradeoffs to make. My impression was that it was better to maintain a rate of seven per cent, recognizing that many of those items that were brought to tax yesterday have, at some time or other, been in the tax base. Over many years we have created quite a hotchpotch.

A year ago in my budget I simply pointed out we would be re-examining the entire base, determining what items were justified to be out. There are some reasons for justification on items like food and children's clothing, where we have not taxed them. There are other cases where it would be very hard to say this item should not be taxed and that one should be.

As many members know, we create a lot of administrative problems, where, frankly, they have had a hard job—

**Mr. Peterson:** You are the one who fiddles around with taxes.

**Hon. F. S. Miller:** There you go again; sit down.

**Mr. Peterson:** You just don't make any sense. You are the one who fiddles around with taxes for political purposes all the time.

**Mr. Speaker:** Order.

**Mr. Cooke:** Mr. Speaker, going back to the original question where the Leader of the Opposition mentioned small business assistance, instead of a tax expenditure of \$250 million for small business why did the Treasurer not consider taking some of that money and giving it to the small businesses that are not paying tax because they are having difficulty coping with high interest rates? They are not making money. Why did he not take a look at helping the small

businessmen who need assistance, instead of giving a tax break to those who are already making profits?

**Hon. F. S. Miller:** Mr. Speaker, that is one of those easy to state, rather motherhood kind of issues. The fact is, I am trying to create jobs. The people creating jobs today are those who are making enough profit to reinvest.

In general, small business people have often found they have reinvested all their profits and have no money left to pay their tax. I could think of no better way to allow the small businessman to have access to some money to reinvest, and also to give him something the member may not understand: the encouragement so he will believe a government has some faith in him so he should go ahead and create those jobs.

**Mr. Peterson:** I gather the Treasurer is the one who said that the only jobs that will be created out of that tax holiday are by those rushing to incorporate, another make-work program for accountants and lawyers in this province. How many jobs will that program produce in this province?

**Hon. F. S. Miller:** Does he want me to give a number today—

**Mr. Peterson:** Yes.

**Hon. F. S. Miller:** —so he can wait until a year from now and try to figure out some way to determine whether it is right or wrong?

All I know—and I know a lot better than the member does—is that small business owners given a dollar to invest will invest it. I do understand that they work hard, that they take a lot of risks, that they have problems and that they do need that tax break. I know that will make them—

**Mr. Peterson:** How many jobs?

**Hon. F. S. Miller:** All right; \$250 million reinvested in this province—

Interjections.

**Mr. Speaker:** Order.

10:30 a.m.

**Hon. F. S. Miller:** In London Centre the member has impeccable manners, but in this House his manners are lousy. They are an indication—as with his party's previous leader—once the members opposite begin to lose ground in this House they start interfering and try to be rude. He is doing it just like Stuart Smith did, and it will do him no good.

**Mr. Peterson:** I would very much like to thank my friend for his lesson on manners. He could



use a lot of lessons on economics, let me tell him.

**Mr. Speaker:** Question, please.

**Mr. Peterson:** Mr. Speaker, the Treasurer said on page 5 of his budget statement that we must adapt to growing international competition and technological complexity. What is he doing to do that? There is no program in this budget that recognizes the fundamental changes that have to go on in this province. There is nothing for the automotive industry and nothing for the manufacturing sector. Why does he mouth all this rhetoric with no substantive backup?

**Hon. F. S. Miller:** This is a new question I assume, Mr. Speaker?

**Mr. Speaker:** That is right.

**Hon. Mr. Davis:** It was really a statement.

**Hon. F. S. Miller:** The member does not like to admit to the fact that the Board of Industrial Leadership and Development centres are doing that very thing. The fact that they were created before does not require me to put them in this budget. There will be some moneys in the line-by-line items for ministries such as Industry and Trade to do that. They are aimed at assisting our industries in Ontario to upgrade their technological capacity and remain competitive or become more competitive.

**Mr. Peterson:** I see nothing in what the Treasurer is doing that translates into meaningful jobs—only 31,000 temporary jobs—which he even stated himself some months ago has to be the priority. The labour force is going to increase 61,000, and employment by some 10,000. Is he not now admitting major failure of his job creation programs and that in fact this will have very little substantive long-term effect for this province?

**Hon. F. S. Miller:** Not at all. What I am doing is reacting to the totally inadequate federal budget as far as I can.

**Mr. Cooke:** Mr. Speaker, does the Treasurer actually expect us to believe that in the automotive sector, for example, one technical centre under his BILD program is the answer to the problems in the auto parts sector? Is that the only imaginative program this government can come up with for the most important part of the manufacturing sector of this province, where 50,000 jobs have been lost since 1978? Is that leadership?

**Hon. F. S. Miller:** Mr. Speaker, do I expect the honourable member to believe me? No. I

have learned never to expect him to believe me on anything. I would add, though, that is not all we are doing. We have done a number of things for the automotive industry that have helped. The member does not like to admit that there are more people at work in the auto plants in Windsor today than there were a year ago, does he? But it is true. Chrysler is on extra shifts and the number of people on layoff is lower. That is a fact.

It is also a fact that until the overall economy recovers, I cannot create the sale of cars in North America. It is also a fact that Ontario is working hard with the United Auto Workers, the automotive parts manufacturers and, with somewhat divided loyalties, the automobile manufacturers to make sure measures are taken to require Japanese cars to have Canadian content.

**Mr. T. P. Reid:** Mr. Speaker, the Treasurer's budget thrust is really all on short-term job creation. He has to appreciate that there are structural changes in the economy. He is talking about 31,000 short-term jobs for young unemployed particularly. Those people have been unemployed for a number of years. He is providing jobs that are going to run for maybe 12 to 24 weeks. Where is the long-term job creation for these people, or is he just setting up another revolving-door type of job creation program that is going to give only temporary relief and do nothing to deal with the long-term job needs in this province?

**Hon. F. S. Miller:** Mr. Speaker, the 31,000 jobs that are referred to in one part of the budget speech are specifically short-term jobs for measures we thought were important—repairs to universities, colleges, schools, municipal buildings; some work on highways, on farms, line fences, etc.—things that people normally put off doing if times are tough. Sure, they are short-term.

Secondly, there is a fair amount of money invested in the youth employment programs. Those youth employment programs, such as the Ontario career action program, very often lead to full-time, long-term employment by giving people who have been previously unemployed their first exposure to work.

Last of all, we have 38,000 man-years of jobs on the housing side. I am going to ask the member to repeat these answers shortly, because he has not been listening.

In the meantime, as stated clearly in the budget, the purpose of our job stimulation program was to bridge the gap while the econ-

omy improves in the balance of this year; which it will do.

### ASSISTANCE TO HOME OWNERS

**Mr. Cooke:** Mr. Speaker, my question is to the Treasurer. On page 8 of his budget statement, he says:

"I would like to deal briefly with the question of mortgage interest for existing home owners. The federal government has introduced a program to help people who have extreme difficulty in renewing their mortgages. Since this program was introduced early last month, hundreds of Ontario families have received assistance. Little would be gained by a provincial initiative that would only duplicate a program that seems to be working."

On March 29, in this Legislature, I asked a question of the Premier (Mr. Davis). I will quote his answer:

"Mr. Speaker, I think the honourable member's initial question was whether I endorsed the federal program. If he wants me to reply to that, rather than replying to the speech he made at the end of his question, the answer to that is simply no, I shall not endorse it."

What has happened between March 29 and May 13 that makes the federal program adequate and mean that his government does not have to participate in assisting the 32,500 home owners who could lose their homes this year because of mortgage renewals?

Is the minister aware that only 342 people in this province have qualified for the federal mortgage assistance program? Is that a program that is working? Is he so satisfied to piggyback on those rotten programs of the federal government that he wants to do nothing on his own?

**Hon. F. S. Miller:** Mr. Speaker, the program was not in place March 29; it came in place during April. Many people have applied, more than 300 have been approved and many thousands remain to be approved. And I qualified my support by saying I would be monitoring it.

**Mr. Cooke:** Why has the Treasurer decided to help people who can already afford to buy homes, instead of helping the 32,500 families in this province who are having their mortgages come up for renewal? As he will be aware, Canada Mortgage and Housing Corp. has indicated that only eight per cent of the tenants in Ontario can afford to buy a home in this province. Why is he not helping the people in this province who need help?

**Hon. F. S. Miller:** First, we will increase that

eight per cent. Second, for the last few years, through a combination of the multiple-unit residential buildings program and direct assistance from Ontario, we have heavily subsidized the creation of some rental housing.

It was the judgement of this government that a similar assistance program, but at a lower cost, would work to induce people who could afford to buy houses, to buy them. At the same time, not only would we create the 38,000 man-years of work—and that work is in the north, making lumber; it is all over Ontario, making furniture—but also we would free up apartments as people moved out. It was a way of having vacant apartments at a much lower cost and of people fulfilling what the member would say is a lifelong ambition: home ownership.

10:40 a.m.

**Mr. Peterson:** Of course, Mr. Speaker, the Treasurer realizes that those people who have had a chance to analyse the program and how he decided to spend money say that it will probably move out some of the existing housing stock, which may be between 8,000 and 10,000 units in this province, but not create any new jobs. There is no guarantee those units will be replaced, because the builders are still very sceptical in this area.

The Treasurer has spent \$75 million in a subsidy going, by and large, to the upper-middle class. All he will do with a program like this is drop the eligible income—I am taking averages now—and the average amount going to shelter by \$2,000 or \$3,000 in order for them to be able to handle the cash flow to take advantage of this program. So the bang for the buck is going to be extremely limited.

Apart from perhaps creating some psychological uplift in the market, he is not addressing the basic housing problems in this province by this program, which turns out to be probably more smoke and mirrors than substance.

**Hon. F. S. Miller:** Mr. Speaker, was there a question there?

**Mr. Speaker:** No, there was not.

**Mr. Philip:** Mr. Speaker, I wonder whether the minister, in his present plan, has any estimate of how many middle-income home owners are going to lose their homes in Ontario in the next six months.

Is the minister aware of the comments of Louis Greenbaum, president of the Urban Development Institute, to the effect that the only people who will be able to buy a home after this budget will be the same people who were able to



buy one before the budget? Is the minister aware that, given an average house price of \$94,050 in Toronto, a would-be home buyer would require an income of \$53,052 to buy a home?

Why has the minister decided that middle-income people in this city and in other cities across the province should not own a home in this province?

**Hon. F. S. Miller:** Mr. Speaker, I hope we will continue to make home ownership as widely available as possible. I do not know how to answer all of the honourable member's questions. There were quite a few there; I may have lost track of one or two of them in the process.

The question of the people who are going to lose homes remains a critical problem. We discussed that in an earlier question presented by the member for Windsor-Riverside (Mr. Cooke), saying that we are watching the federal plan.

Recently, at the request of the deputy leader of the member's party, I sent a letter showing certain information on the statistics. I ask the member to take a look at those statistics on the present state of the mortgages of people who own homes in Ontario. It is surprisingly good. In no way am I saying it is perfect, but it is surprisingly good. In the main, the number of people in default is lower than average; the number of repossession is lower than average. The fact remains that we are still monitoring the overall situation very carefully.

#### TAX INCREASES

**Mr. Cooke:** Mr. Speaker, I would like to ask a question of the Treasurer. Before yesterday's budget, Ontario families at the income level of between \$15,000 and \$25,000 were already the highest taxed in this entire country. Why, in yesterday's budget, did the Treasurer decide to raise the taxes for those people by an additional \$300? Why did he decide to tax those people at the low and middle-income levels in this extremely regressive manner?

**Hon. F. S. Miller:** First of all, Mr. Speaker, that is the honourable member's figure, not ours. Our figure is considerable lower; it is in the \$100 to \$150 range. For example, when spending went up by about \$2 billion this year, it was an amount roughly equal to inflation. I have had a lot of pressure from people, like the member, to spend much more. Spending much more, I assume, would require me to raise more taxes. I think we have taken a very judicious and responsible middle road.

**Mr. Cooke:** I point out to the Treasurer that income tax went up on January 1 as part of last year's budget, that Ontario health insurance plan premiums went up by \$96 in this budget and that we have the additional sales taxes. If one adds those items together, plus the ad valorem tax increases, we are talking of \$300 in increased taxes to average families in this province.

Why did the minister decide to tax such items as personal hygiene and household cleaning products, classroom supplies, student supplies, buses and repair parts, and clothing patterns? Most of those are basic items that ordinary people need in this province. Why would he add a regressive tax on those items for ordinary and middle-income people in this province?

**Hon. F. S. Miller:** First, the member uses a word like "regressive" and it becomes the Holy Grail. I do not think sales tax is as regressive as the member believes it is.

Second, I have to ask, why should one item like a paintbrush have tax on it and another item like a cleaning product not have a tax on it? The truth is we did not exempt necessities in total. Many of the things to which tax applies have to be consumed in one way or another. What we did was continue exemptions on the very basic necessities of life, such as food and children's clothing, and certain other commodities, such as home heating oil and electricity.

I suggest to the member that there are no fast and easy answers in an inflationary age except to have nominal increases. The increase in spending from \$20 billion to \$22 billion could be argued by many economists to be a stand-pat budget.

**Mr. Peterson:** Mr. Speaker, the Treasurer will realize that he is raising an extra \$656 million through personal income tax this year, an uncanny similarity to an amount he recently expended and thereby helped to affect the price of the Canadian dollar.

**Mr. T. P. Reid:** That's Suncor, in case you missed it.

**Mr. Peterson:** In addition, he is raising \$825 million through increases in retail sales taxes; through gasoline tax, increased revenue of \$172 million; through motor vehicle tax, increased revenue of \$43 million; through Ontario health insurance plan premiums, increased revenue of \$223 million. Those five categories alone total \$1,919,000,000, which he is extracting out of the individuals' hides in Ontario. Does he realize that this translates in daily expenditure, depend-

ing on one's lifestyle, to an additional 50 cents to \$2 a day in that range per family? Does he not feel that is just bad economics at this time of high inflation and recession?

I know, and the Treasurer knows, he got a lot of advice from economists saying he could not whack the already overburdened taxpayer at this time. Will he not admit that he does not understand the plight of some of these people and that he responded in an incorrect manner to the economic problems in the province at this time?

**Hon. F. S. Miller:** On that last point, I suggest that I understand the plight of those people a lot better than does the Leader of the Opposition. I have been through it. He has not. There is a big difference that way.

**Mr. Peterson:** You caused it; that's why you understand it.

**Hon. F. S. Miller:** Oh, no. It is very easy to come from a relatively comfortable life and always speak about the plight of the poor. Do not give me that baloney. I have enough faith in the system that allows one to do well in one's lifetime, and I am going to keep working on it. That is the fundamental belief I have, and I think it is shared by a lot of people in the member's caucus too.

Interjections.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** I have a lot more faith than my friend does. At least I am sticking to it and not looking like a hypocrite and a sellout to the people who originally supported me.

**Mr. Cooke:** Mr. Speaker, I would like to ask the Treasurer a question. I am sure he is aware that Ontario is one of the three provinces that charges health insurance premiums, another form of regressive taxes. Does he not realize that this increase in OHIP premiums means that a family on a \$15,000 income is still going to be paying higher OHIP premiums than it pays in income tax in this province? Why should those people at the lowest end of the income scale be forced to pay for doctors who are going to be earning more than \$100,000 because of his generous settlement?

**Hon. F. S. Miller:** Mr. Speaker, I will be glad to table shortly the actual statistics on the coverage for people who have OHIP premium coverage, but it was much higher than the figures we used in the House recently. I think the honourable member will be encouraged to see it is.

While we proposed in the budget a paper showing alternatives, through payroll tax, to OHIP premiums, I really believe most Ontario citizens believe the one fifth of the cost of health care they are currently paying is good value and is a good way to identify their contribution for health care.

10:50 a.m.

## BUDGET

**Mr. T. P. Reid:** Mr. Speaker, as I went through this budget yesterday, I tried to find something that would sum up the meanness and pettiness of the Treasurer's budget. A little phrase popped into my mind which goes like this:

How much is that doggie in the window,  
The one in the old pet store?

Well, because of Frank and Willy,  
It's now seven per cent more.

**Mr. Speaker:** And now to the question.

**Mr. T. P. Reid:** The question is, did you like it?

**Hon. Mr. Davis:** I know who composed it for him.

**Mr. T. P. Reid:** I did. I was up all night.

**Hon. Mr. Davis:** Oh, you did not.

**Mr. T. P. Reid:** I certainly did. Some of us cannot afford all the writers the government has. I do not have a Hugh Segal in my back pocket.

This budget is completely misdirected and unfocused. The Treasurer talks about hypocrisy. I will talk about hypocrisy and contradictions. How does the Treasurer explain his prediction that there is going to be four per cent real growth between now and the end of the year when everybody else is predicting that there is going to be at least a 2.1 per cent drop in real growth in the province?

How can he talk about a long-term job creation program on page 5 of the budget and then come up with a lousy temporary job program? How can he spend thousands of dollars promoting "Preserve it, conserve it" and then slap a seven per cent sales tax on all the conservation materials, such as insulation and doors?

How can he criticize the federal government about the huge outflow of capital when the government, with its purchase of Suncor, allows \$325 million to flow south to Radnor, Pennsylvania? How can he talk about equity in the budget when he is hitting the people at the



bottom of the income scale? All these are contradictions in the budget.

He says he is promoting public transit and then he comes along and taxes them seven per cent not only on new vehicles but also on repairs.

How can he talk about the federal government cutting him back when he has served notice on every school board, social service agency and everything else that he is cutting down? His cents on the dollar to local school boards, local municipalities and social services is being cut, and yet he says he is helping those people who need the most.

Does he not agree that is all contradictory, all unfocused and all undirected in this budget of his?

**Hon. F. S. Miller:** Mr. Speaker, I will almost have to wait for Instant Hansard to make sure I can remember the order and number of those questions.

**Mr. T. P. Reid:** There's a whole bunch more.

**Hon. F. S. Miller:** I am sure there are. The honourable member must be afraid he will not get on his feet once more this term; he got them all in at one shot. I really will have trouble keeping track of them. The member may even want to refresh my memory as to the order, doing away with editorial comments as we go through them. Could he give me the first one?

**Mr. Speaker:** I think the question was, with all respect, "Would the Treasurer not agree?"

**Hon. F. S. Miller:** Would the Treasurer not agree? No.

**Mr. T. P. Reid:** That was very helpful, Mr. Speaker. Perhaps you will allow the Treasurer to respond this time.

**Mr. Speaker:** It is not for me to limit anybody.

**Mr. T. P. Reid:** Then if you would not interfere, Mr. Speaker, that would be fine. You probably could answer better than the Treasurer.

I want to know quite simply, how can the Treasurer stand there and give us a budget in which he says he is trying to do all these things? He is preserving it, conserving it. He is promoting public transit. He is helping those at the local school board level and social service agencies. At the same time as he pretends he is giving, he is taxing everything away that he is giving to the local levels of government, to the people at the lower end of the economic scale, to public transit and so on.

The Treasurer's whole budget is contradic-

tory. How does he explain the contradictions in those areas?

**Hon. F. S. Miller:** Mr. Speaker, I will go back to the first question in the honourable member's list; that is, my estimate of what will happen to the economy in the balance of the year. That is where he had a contradiction in terms of periods reviewed. It is true that people like the Conference Board of Canada have shown an overall decline in gross provincial product in Ontario for the 1982 year; that is for a 12-month period. We have said that we will have an annualized growth rate of four per cent from here on.

**Mr. J. A. Reed:** What's that based on?

**Hon. F. S. Miller:** That is based on the best economic forecast we can currently make of the direction in which the economy is moving and the potential to create new jobs. Whether it will continue, I cannot be sure. I am in the hands of reasonably competent economists, who in the past have turned out to be more accurate than the people the member is quoting.

They say we will see 125,000 more people at work on December 31 than we have right now. We have already seen, in the month of April, the first increase in employed people in Ontario in a number of months. There were 9,000 more people at work on April 30 than there were on April 1. That is a small change, but it is an encouraging sign.

We do believe the American economy is starting to firm up. We do believe the inventory rundown, which was in large measure the cause of the decline in industrial manufacturing, has gone about as low as it can, and companies will have to start manufacturing to meet current orders.

On the basis of all that, and allowing for the fact that we are stimulating the economy, we believe there will be 125,000 more people at work in Ontario on December 31 than there were on May 1.

**Mr. R. F. Johnston:** Mr. Speaker, I have a new question for the Treasurer. It is about his redneck attack on the public sector, which can be found on page 17 of the budget statement, where he seems to lump together and blame inflation on civil servants and, I presume, hospital workers, guaranteed annual income system recipients, the disabled and the aged.

At the bottom of the page, he threatens, "I now serve notice to all recipients of provincial funds that they should not count on future funding at or above inflation rates." My question is, does that include Gains recipients? Does

that include welfare recipients and the aged? Are we to believe what the Treasury officials told our Treasury critic that it does? Or will the Treasurer deny that it does and guarantee that at least they will get cost-of-living increases, if not catch-up increases?

**Hon. F. S. Miller:** Mr. Speaker, I am not going to guarantee what rate they will get, but they were not included in that statement; it was aimed at the transfers to institutions.

**Mr. R. F. Johnston:** It is interesting that there is no mention anywhere in the budget this year about the general welfare recipients or Gains recipients.

**Hon. Mr. Davis:** Never has been.

**Mr. R. F. Johnston:** There was last year. A guaranteed annual income system for the disabled was mentioned last year. Do not say it was not.

I remind the Treasurer and his sense of priorities in the class budget he has brought down—not a classy budget but a class distinction budget—that under his administration a mother with one child has already lost 23 per cent since 1975 under general welfare and a mother with one child has lost 16 per cent on family benefits.

Will the Treasurer guarantee them a catch-up as he did the doctors? Or is he just going to say, as he said to one of the members of the official opposition here, that he is not going to sell out to the people who elected him, that he is not going to sell out to the rich and successful businessmen and the doctors, but that he is willing to sell off the poor?

**Hon. F. S. Miller:** I hardly think so. I would say this, though. If we did not tackle, and I believe we did, the fundamental ills in the economy and get people back to work to create wealth, then the money we would be passing on to those welfare recipients would be about as worthless as confetti.

**Mr. Peterson:** Mr. Speaker, since the Treasurer has said, at least in the past, that he believes in tax expenditure studies and in trying to understand what the effects of his various tax concessions and programs are, does he not feel he has an obligation now to study the effect of his new round of high tax increases in the personal areas on various segments of society and those it is affecting the most?

If the minister does that, will he not agree that probably he will determine that the poorest in our society are going to pay a much higher percentage of their disposable income to satisfy

the government's greed or its need for money out of the public purse? With this budget, is he not really punishing the people at the lower end of the income scale far more than at the higher end? And is that not just wrong?

11 a.m.

**Hon. F. S. Miller:** Mr. Speaker, this is where I think my friend should really look at the tax rates in other provinces and discover, much to everybody's surprise, that we do spend less, and that is the part we can control most. When I say this the opposition benches will applaud in an ironic way because they think we should spend more. The member tells me I spend too much. We in fact spend less.

We have to remember that the federal government—and we do not mind this—has traditionally used Ontario to transfer funds to everybody else in need in Canada. Therefore, the Ontario taxpayer, through the federal system, pays not only for the services he gets here but for services in Quebec, the Maritimes and some of the western provinces. That is a part of the total tax load on our citizens. Within that context the money used here in Ontario for our purposes is the lowest in Canada.

#### BUY-CANADIAN POLICY

**Mr. Barlow:** Mr. Speaker, I have a question that is not for the Treasurer. My question is for the Minister of Government Services.

The minister will no doubt recall that a week ago yesterday I had a private member's resolution debated regarding the buy-Canadian policy. During the debate on that resolution the member for Prescott-Russell (Mr. Boudria) brought to the attention of the House several types of office supplies that are purchased outside Ontario; in fact, outside Canada. I just wonder whether the minister has had an opportunity to review that situation and, if so, what he is planning to do to reverse it.

**Hon. Mr. Wiseman:** Mr. Speaker, I think the House should realize that of the 1,100 items or so my ministry purchases, about 95 per cent are manufactured by and purchased from Canadians; only about 50, or about five per cent, are purchased offshore. We are trying to encourage the purchase of this five per cent here in Canada, but many of these items are purchased in small numbers, and it is not really worthwhile for Canadian manufacturers to tool up for such a small number.

There is the odd case, and I think one example that was given by one of the members



last Thursday was scissors. In that particular case we have to be competitive or, as I know, being a retailer myself, people will go and buy elsewhere. In that case we can buy for \$2.11 offshore. I would really like to see them bought in Canada because the only scissors company in North America is in my own riding. They are much superior scissors, but they cost \$6 and something a pair. So we buy the ones at \$2.11, to cut string and so on. The managers are under a budget and they are going to buy where they can buy most cheaply. So we have to fill the need as any retailer would.

But we are looking into that. I have had meetings with my colleague the Minister of Industry and Trade (Mr. Walker). We are going to set up a procurement officer within our ministry to highlight these items. At trade and industrial shows we are showing merchandise that cannot be purchased in Canada in the hope that they will pick it up.

There is one area in which we are working quite closely, and members should be aware of it. That is in the mechanical and the electrical end. We found that a large percentage of these products cannot be purchased in Canada at the present time, and my colleague the Minister of Industry and Trade is looking into that, trying to encourage our factories to go into that.

Again, as a retailer myself, I am very interested in this and will work towards 100 per cent; but we are at 95 per cent at the present time.

**Mr. Barlow:** I thank the minister very much for that answer. Will he be reporting to the House at some future date, in perhaps six months' time, some change in direction that has taken place?

**Hon. Mr. Wiseman:** I have mentioned that we are working quite closely with the Minister of Industry and Trade. We will continue to do that.

The estimates of my ministry will be discussed in committee early in June. Perhaps at that time we can fill the members in a little further on what we are doing.

**Mr. Boudria:** Mr. Speaker, it may be that certain items are uneconomical to manufacture in this province, but does the minister not feel it is a disgrace to see a pen with the government of Ontario logo on it, also including the words, "Papermate, Made in USA"? Is that not an example of items which are available right here in Toronto, let alone in Canada?

Further, this stapler—again with the crest of the government of Ontario on it—shows, "Swingline Inc., Made in USA." Is there not a

way in which officials of his ministry could ensure that such things do not occur, at least in so far as the items which bear the Ontario logo are concerned?

**Hon. Mr. Wiseman:** Those are a couple of the items that the honourable member mentioned last Thursday.

We have been trying to encourage Canadian producers to manufacture staplers, staple removers and so on. Some of the items he has mentioned, once you have one of them, last for a long time. This is an area where we cannot get people to tool up for items like that.

Regarding the Papermate pen, that is another area where we are trying to fill the needs of the people who ask for them. They seem to like that particular make.

We are still working towards getting that other five per cent made in Canada. The member can rest assured we will keep on trying.

#### JOB CREATION

**Mr. Sweeney:** Mr. Speaker, I have a question to the Treasurer.

I draw his attention to the chart on page 23 of his budget. He has made quite a point of job creation being one of the priorities of this budget. Yet it clearly shows here, comparing 1981 with 1982, that there is going to be an increase of only 10,000 jobs in Ontario. It also shows that the people looking for work will be increased by 61,000. Does that not mean that the net effect will be an increase in unemployment of 51,000?

That certainly does not indicate this budget does anything for job creation, using the Treasurer's own figures. I direct his attention to his own chart. It is right there.

**Hon. F. S. Miller:** The honourable member's arithmetic is pretty good. The fact is that most of the job loss, as I pointed out earlier, occurred in the first half of the year. The 125,000 projected increase is in the balance of the year. I can only deal with the situation as it stands today.

By the way, that is something our federal friends did not do. They came ahead blindly with a budget, totally ignoring the realities of the marketplace. We at least have allowed for it and say we are going to create, to make up for the job losses which have occurred.

**Mr. Sweeney:** I am using the Treasurer's own figures for the year 1982; not my figures, his figures.

The Treasurer also made quite a point in his



budget of increasing funds for youth employment in this province. I draw to his attention that they had funded \$30 million for the Ontario youth employment program in 1980; in 1982, they are funding it at \$30.4 million. That is a one per cent increase over two years.

For the Experience '82 program, they funded \$13.3 million in 1980; in 1982, they are funding only \$12 million. That is a decrease of one per cent over two years.

For junior rangers, they are increasing only from \$4.4 million to \$4.7 million over two years. For summer replacement, they are increasing from \$20 million to only \$22 million over two years.

Can the Treasurer honestly expect us to believe he is serious about youth employment with those kinds of increases over a two-year period and, in some cases, actual decreases?

11:10 a.m.

**Hon. F. S. Miller:** The answer is I would like to think I could convince the member I am serious. He has to recall a couple of things. The peak unemployment period for youth is no longer summer. In fact, that is the minimum unemployment period for youth.

To begin with, most of the programs we aimed at youth were aimed at students in the summer period. Today's problem is with people who are not at school any more and is in the off-peak periods, the off-summer period. I think it is the Minister of Labour (Mr. Ramsay) in particular, who heads the group of ministers looking at the youth package, who concluded that our program should start accentuating other times of the year and other target groups.

We are realizing there is beginning to be a shortage of youth in the summer period. One has to recall that the demographics are putting fewer teenagers through in that period. They are not there as they were a few years ago. They have become the 20-year-olds and 22-year-olds. We are trying to tailor a program to changing conditions.

**Mr. Mackenzie:** Mr. Speaker, it is obvious we are paying the price of last March 19 in this budget. I wonder if the Treasurer realizes that since his last budget we have managed to steal the jobs of another 117,000 people in Ontario, 55,000 of them in the manufacturing sector. Where is the help for auto and steel in this budget? Does the minister realize that, in terms of the 31,000 temporary jobs, if the entire amount allotted for that was used for the 31,000 jobs based on a year, the workers would be

getting less than \$106 a week or not even the minimum wage in Ontario?

**Hon. F. S. Miller:** Mr. Speaker, the honourable member has assumed the 31,000 jobs are for a full year period. I think if he checks through the background he will find they are not. They are short-term jobs at rates—

**Mr. Martel:** You said they are not make-work projects.

**Hon. F. S. Miller:** They are not make work projects. They are jobs that have to be done. I assure him that if somebody is putting on a new roof at a university in his home town, he or she will be paid at the union rate. They will be paid at whatever competitive rate they would have been paid for any other job.

The member talks about the disappearance of industrial jobs. Our country has a problem. Relative to the United States, wage increases in Canada have exceeded their norm. We are losing our competitive edge, and with it jobs are moving to the United States.

**Mr. Mackenzie:** I guess from the Treasurer's answer the 31,000 jobs are not even for anywhere near a full year. Can the minister tell us how many more jobs are going to be lost because of the taxes he has put on labour? There are higher costs for home repairs, higher costs for auto repairs and not only a tax on a pizza, but a tax on the delivery if it is delivered to one's house. How many more small business people are going to go out of business because of these additional taxes? How many more jobs are going to be lost because of these labour taxes?

**Hon. F. S. Miller:** I guess one of the reasons I succeeded in small business is because I went out optimistically, not full of all the reasons I could fail, as the member is.

**Ms. Copps:** Mr. Speaker, the minister wanted to know about the member for Hamilton East's home town. I will tell him about that member's home town. We have 29,000 people unemployed. We are among the top 10 of the hardest hit communities in Canada. How can the minister talk about short-term job creation when we have people in this province who need real jobs?

**Hon. F. S. Miller:** Mr. Speaker, the honourable member is ignoring what I said. I happen to have done something to help her city in my budget. I was talking on radio station CHML for half an hour this morning explaining the budget to people who called in. I found them generally supportive.

What we did with our resources was to undo



as far as we could the stupid moves the federal government made that virtually crippled the steel industry in Canada through its changes in capital cost allowances and through its change in the depletion allowance for resources. They almost emasculated it, almost made it necessary to go off shore to procure—

**Ms. Copps:** Short-term job creation; building a roof on a building. Let's talk about real job creation.

**Hon. F. S. Miller:** Would you be quiet and let me talk?

We did those things because we believe the federal government was totally wrong. I know I can only undo perhaps a third of the damage it did. I did so at great cost, but I believe it is important to show we disagree even if it costs us money. The member does not like that. What would she have me do?

**Ms. Copps:** Create some real jobs.

**Hon. F. S. Miller:** That will create the jobs, my friend.

#### HOUSING STARTS

**Mr. Epp:** Mr. Speaker, I have a question for the Treasurer. There are at least 85,000 new housing units across the province that are vacant. In view of this, will the Treasurer not agree that the main purpose which will be served by the Ontario renter-buy program will be to clear builders' existing inventories? It will neither create any significant number of new jobs nor will it have any great impact on the number of housing starts across the province.

**Hon. F. S. Miller:** Mr. Speaker, I really hope the member is not that naive. I really hope he does not believe that if the existing stock or inventory of sold homes disappeared, no one will build up any more inventory. I have to tell him that while we may see some reduction in inventory, we will see a stimulation in the marketplace.

A couple of years ago, the members opposite said the small business development corporation system would not work. I have to say I do not know if this will work, but having talked to people and having listened I believe it will work. I am going to be willing to be flexible enough to make sure it does work.

**Mr. Epp:** Given the fact that, at page 23 of the budget paper, we find the figure in billions of dollars is 50.2 for housing starts for 1981 and only 50 for 1982, does it not appear to the Treasurer, and to everybody else, that the number of new housing starts and the amount of money that is

going to be spent in 1982 is going to be less than in 1981, and that this program really is not going to reflect any new jobs over last year?

**Hon. F. S. Miller:** The member can go back on many industries that way. If he asks me if it does any good to get the 125,000 people back to work because I have made no progress, if that is his logic it is rather convoluted. The truth is, if we had not had this program there would have been a lot less than 50,000 starts, somewhere between 35,000 and 40,000 starts. I hope I have underestimated the impact of the program. I hope it overruns its budget. There is no limitation on the number of dollars. If 30,000 people buy houses, we will be delighted to give 30,000 people grants.

#### BUDGET

**Mr. Foulds:** Mr. Speaker, did the Treasurer have McLeod Young Weir do an evaluation of his budget ahead of time? How can he justify and explain and expect people to believe his "Preserve it, conserve it" ads and his energy conservation programs when he slaps a seven per cent sales tax on thermal insulation, storm windows, storm doors, heat pumps, heat recovery units, chillers, solar cells, solar furnaces, windmills, wind-powered generators, timer-controlled thermostats and wood-burning stoves? What has changed since 1980 when he endorsed the conservation program in his budget and said so explicitly? Is it because since that time he has bought 25 per cent of Suncor and, therefore, has a vested interest in the home heating market in this province?

**Hon. F. S. Miller:** I can see now why the member is in the opposition and shall stay there forever.

We do not have a tax on home heating oil. The member knows that. I can simply say this to my friend—

**Mr. Foulds:** I didn't say that.

**Hon. F. S. Miller:** I will tell him why. The tax was re-imposed because government has done what it should have done. The government created an awareness of the savings which could be made through the use of those heat-saving devices. The seven per cent is no longer the catalysing factor; people are saving enough to go ahead and do it without the seven per cent. But this ministry, the Ministry of Energy, needed a year or two to get that message out there and sell the idea. It is working so well that we no longer have to do it. But the real energy savings are in off-oil. Off-oil was where we stuck to it

and broadened the exemption for propane-fired vehicles.

11:20 a.m.

**Mr. Foulds:** Mr. Speaker, would the Treasurer not agree that the tax breaks given to the oil and gas industry still exceed the tax breaks given to the soft energy or the conservation energy industry quite substantially so that the true costs are not yet there? Does it not make sense for the Treasurer to keep the sales tax off those energy conservation measures if we are going to become anywhere close to self-sufficient in oil, which is the alleged aim of the Minister of Energy (Mr. Welch)? Why is this? Is it because now that he has bought Suncor, he profits from people using increased oil instead of conservation methods?

**Hon. F. S. Miller:** No.

## INTRODUCTION OF BILLS

### LEGISLATIVE ASSEMBLY RETIREMENT ALLOWANCES AMENDMENT ACT

Hon. Mr. Wells moved, seconded by Hon. Mr. Welch, first reading of Bill 109, An Act to amend the Legislative Assembly Retirement Allowances Act.

Motion agreed to.

**Hon. Mr. Wells:** Mr. Speaker, this is a house-keeping bill. It changes two provisions. One is in regard to survivors' benefits for those who are covered in part 1 of the bill, and the second changes the words "three fiscal years" to "36 months."

### OCCUPATIONAL HEALTH AND SAFETY AMENDMENT ACT

Hon. Mr. Ramsay moved, seconded by Hon. Mr. Ashe, first reading of Bill 110, An Act to amend the Occupational Health and Safety Act.

Motion agreed to.

**Hon. Mr. Ramsay:** Mr. Speaker, the amendments are of a technical nature and are aimed at improving the administration of the Occupational Health and Safety Act.

As members know, this act has been in force since October 1979. Since then the ministry has found that changes are needed to facilitate the notification and consultative process for designating a biological, chemical or physical agent by regulation. In addition, the bill clarifies the definition of a new chemical substance under section 21 of the act. This provision requires mandatory notification of new agents. The proposed amendment will assist parties in under-

standing their obligations to notify the ministry and proposes a mechanism to settle disputes where they may arise.

### CONSOLIDATED REVENUE FUND CREDIT ACT

Hon. F. S. Miller moved, seconded by Hon. Mr. Wells, first reading of Bill 111, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

**Mr. Speaker:** Is it the pleasure of the House the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

### TOBACCO TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 112, An Act to amend the Tobacco Tax Act.

Motion agreed to.

**Hon. Mr. Ashe:** Mr. Speaker, this bill contains those changes to the Tobacco Tax Act which were announced in the Treasurer's budget.

The changes include an increase in the ad valorem tax rate for cigarettes and cut tobacco to 40 per cent of the taxable price. As well, maximum compensation, which designated tobacco tax collectors may claim in any fiscal year beginning April 1, is increased to \$2,000.

In addition to compensation, each designated collector may claim a shrinkage allowance of not more than 1/10 of one per cent of the tobacco tax collected and remitted. An administrative amendment is also included in the bill.

### PROVINCIAL LAND TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 113, An Act to amend the Provincial Land Tax Act.

Motion agreed to.

**Hon. Mr. Ashe:** Mr. Speaker, this bill contains changes to the Provincial Land Tax Act announced in the 1982 budget, as well as some administrative amendments.

The rate of provincial land tax payable on pipelines will increase effective January 1, 1983. The current schedule of rates for pipeline assessment will be replaced by one schedule for gas pipelines and one for oil pipelines, both corresponding to the schedules used for municipal taxation as set out in the Assessment Act.



The assessment of telephone and telegraph wire mileage will be discontinued effective January 1, 1983. The tax imposed on land of telephone and telegraph companies will be established at five per cent of gross receipts. The definition of gross receipts will parallel that in the Municipal Act.

This bill also contains a number of administrative amendments, many of which are made to parallel provisions contained in the Assessment Act.

#### CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 114, An Act to amend the Corporations Tax Act.

Motion agreed to.

11:30 a.m.

**Hon. Mr. Ashe:** Mr. Speaker, this bill includes the changes to the corporations tax announced in the 1982 budget as well as some administrative amendments. Of great interest to small businesses is the suspension of the Ontario corporations income tax for small business for two taxation years ending after May 13, 1982, and before May 14, 1984. The bill also provides for the refund of instalments that have been made on account of the first taxation year ending after May 13, 1982.

Other items include a clarification of the circumstances in which the add-back relating to certain payments to nonresidents would apply, as well as some capital tax changes.

#### RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 115, An Act to amend the Retail Sales Tax Act.

**Mr. Speaker:** Is it the pleasure of the House the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Call in the members.

11:32 a.m.

**Monday, May 17, 1982**

5:52 p.m.

The House divided on Hon. Mr. Ashe's motion for first reading of Bill 115, which was agreed to on the following vote:

#### Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis,

Dean, Drea, Eaton, Eves, Fish, Gillies, Gordon Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Kells Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean McNeil, Miller, F. S., Mitchell, Norton, Piche Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

#### Nays

Boudria, Bradley, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Martel, McClellan, McEwen, McGuigan, McKessock, Miller, G. I., Newman, Nixon;

O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Renwick, Riddell, Ruprecht, Ruston, Sargent, Spensieri, Stokes, Swart, Sweeney, Van Horne, Worton, Wrye.

Ayes 63; nays 46.

**Hon. Mr. Ashe:** Mr. Speaker, the Treasurer (Mr. F. S. Miller) in his budget announced a number of changes in the Retail Sales Tax Act. This bill contains the amendments necessary to effect these changes.

The tax base to which the retail sales tax is applied has been significantly altered through the withdrawal of a number of exemptions to the tax and by changing the composition of other exemptions. In addition, the tax will now apply to insulation, repair and maintenance labour performed on articles which are not, or will not, become part of real property.

All prepared food becomes taxable at the lower rate of seven per cent. The previous rate of 10 per cent on meals over \$6 is being removed; similarly, the exemption for meals up to that level.

As well, the rate of tax applicable to charges for transient accommodation is being reduced to five per cent. This bill also contains a number of administrative amendments.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day, I would like to table the answers to questions 105, 117, 120, 124, 125, 127 and 135, and the interim answer to question 106

standing on the Notice Paper [see Hansard for Friday, May 21].

### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, before the adjournment of the House, I would like to indicate what the business of the House will be for the remainder of the week.

Tuesday, May 18, in the afternoon we will

deal with the opposition budget replies, followed by Bill 60. In the evening, we will carry on with Bill 60.

On Thursday, it has been agreed that we would not have private members' hour but have the opposition budget reply followed by budget debate; budget debate in the evening and budget debate on Friday morning.

The House adjourned at 5:59 p.m.

## APPENDIX

### ANSWERS TO QUESTIONS ON NOTICE PAPER

#### PLANT EMISSIONS

**64. Mr. Elston:** Would the Minister of the Environment provide data on emissions of SO<sub>2</sub> in metric tons per year for the years 1979, 1980 and 1981 for the Algoma Steel Corp. Ltd. plant in Wawa, for the Falconbridge Nickel Mines Ltd. facility in Falconbridge, for the seven individual petroleum refineries in Ontario, and for the seven individual sulphite pulp plants in Ontario? [Tabled April 7, 1982].

**98. Mr. Elston:** Would the Minister of the Environment provide data on the expected and the maximum quantity of emissions of SO<sub>2</sub>, NO<sub>x</sub> from the Ontario Hydro export of 400 megawatts of electricity for 50 weeks to the Niagara Mohawk Power Corp. of Syracuse, NY?

See sessional paper 98.

#### ADULT BASIC EDUCATION

**103. Mr. Grande:** Would the ministry explain the reasons the school boards are not also given permission to enter into an agreement to provide adult basic education as is specified in the agreement for colleges of applied arts and technologies, given the recent adult basic education funding changes and the proposed amendments to the Education Act, which states in section 45 that, "Subject to approval of the minister, a board may, in respect of persons who reside in the area of jurisdiction of the board, enter into an agreement in writing with a college of applied arts and technology for the area in which the board has jurisdiction under which the college of applied arts and technology provides for the board such adult basic education as is specified in the agreement"? [Tabled April 27, 1982].

**Hon. Miss Stephenson:** School boards already

are permitted under the Education Act to provide adult basic education. The proposed amendment to the Education Act (section 45 of the Education Amendment Act, 1982, or Bill 46) is to extend the power of school boards in this field so that a board may provide such programs through agreement with a college of applied arts and technology.

#### WATERMAIN CONSTRUCTION GRANTS

**107. Mr. Ruston:** Would the Minister of the Environment indicate the number of Up-Front Grants to municipalities for water main construction over the past three years and the percentages of total cost paid by the province for each project? [Tabled April 28, 1982].

See sessional paper 100.

#### AIRCRAFT CHARTERS

**109. Mr. Bradley:** (a) What was the total cost of aircraft chartered by the government of Ontario from April 1, 1982, to the present for ministers, government members and government officials for travel on government business? (b) Who chartered the aircraft? (c) Who travelled on each trip? (d) What was the total cost per trip? [Tabled April 28, 1982].

**Hon. Mr. Pope:** (a) The total cost of aircraft chartered by the Ministry of Natural Resources Malton Air Operations Office for the month of April 1982 was \$35,078.37.

(b) The aircraft were chartered by the Ministry of Natural Resources following requests from persons authorized to requisition aircraft as per the following list:

Personnel authorized to requisition aircraft: (1) cabinet ministers, deputy ministers and persons with deputy minister status in the Ontario government; (2) personnel of other



ministries, boards, commissions and agencies authorized by a minister or deputy minister to requisition aircraft; (3) assistant deputy ministers, executive co-ordinators, branch directors, regional directors, district managers, Ministry of Natural Resources, and heads of boards and commissions reporting to the Minister of Natural Resources.

(c) This information is not available.

(d) This information is not readily available from expenditure control summaries. Based on 20 flights, average cost per trip is \$1,754.

**110 Mr. Bradley:** (a) What was the total cost of aircraft chartered by the government of Ontario from April 1, 1981, until March 31, 1982, for ministers, government members and government officials for travel on government business? (b) Who chartered the aircraft? (c) Who travelled on each trip? (d) What was the total cost per trip? [Tabled April 28, 1982].

**Hon. Mr. Pope:** (a) The total cost of all aircraft chartered by the Ministry of Natural Resources Malton Air Operations Office for the 12-month period April 1, 1981, to March 31, 1982, was \$254,958.

(b) The aircraft were chartered by the Ministry of Natural Resources following requests from persons authorized to requisition aircraft as per the list in (b) above.

(c) This information is not available.

(d) This information is not readily available from expenditure control summaries. Based on 166 flights, the average cost per trip is \$1,536.

**114. Mr. Bradley:** In the period April 1, 1982, to the present, which government ministers, government members and government officials made use of government of Ontario aircraft? What was the purpose of each trip, and what was the cost in addition to the normal operating cost of the aircraft? [Tabled April 28, 1982].

See sessional paper 102.

**116. Mr. Bradley:** In the period April 1, 1981, until March 31, 1982, which government ministers, government members, government officials made use of government of Ontario aircraft? What was the purpose of each trip, and what was the cost in addition to the normal operating cost of the aircraft?

See sessional paper 103.

#### GOVERNMENT ADVERTISING

**115. Mr. Bradley:** Who co-ordinated the Ontario government advertising in the Globe and Mail Report on Business, April 26, 1982?

What advertising agency prepared the advertisements? What was the cost? [Tabled April 28, 1982].

**Hon. Mr. Walker:** (1) Advertising was not co-ordinated on behalf of the government for specific ministries. Advertisements were solicited independently by the Globe and Mail, and each ministry's decision to purchase space was based on independent judgement of the value of the special Report on Ontario supplement to its own marketing objectives.

(2) Advertisements were prepared by the following advertising agencies:

Ministry	Agency
Labour	Foster Advertising Ltd.
Environment	Case Associates Advertising Ltd.
Northern Affairs	Foster Advertising Ltd.
Agriculture and Food	Case Associates Advertising Ltd.
Intergovernmental Affairs	Foster Advertising Ltd.

(3) Advertising costs: \$19,195.22.

#### GOLDFARB REPORT

**118. Mr. Foulds:** Would the ministry list which government ministries have ordered, purchased or obtained a copy or copies of the third annual Goldfarb report? Would the ministry table the report? Would the ministry table any analysis of the report done by ministry personnel? [Tabled April 30, 1982].

**Hon. Mr. Wells:** The Ministry of Intergovernmental Affairs purchased a copy of the third annual Goldfarb report on behalf of the government.

A copy of the summary was forwarded to the Premier's office, the Ministry of Industry and Trade, the Ministry of Energy and the Ministry of Treasury and Economics.

The ministry has made no analysis of this report.

#### OCCUPATIONAL HEALTH REPORTS

**121. Mr. Martel:** Will the Minister of Labour table the report Occupational Health Implications of the Use of Formaldehyde in Ontario by J. F. Henderson, M. G. Holliday and A. Homes? [Tabled April 30, 1982].

**Hon. Mr. Ramsay:** A copy of the report was placed in the ministry library on April 30, 1982.

**122. Mr. Martel:** Will the Minister of Labour table the report Occupational Health Implications of Acrylonitrile in Ontario by M. G.

Holliday, J. W. Sifton, F. L. Engelhardt and A. Homes? [Tabled April 30, 1982].

**Hon. Mr. Ramsay:** A copy of the report was placed in the ministry library on April 30, 1982.

**123. Mr. Martel:** Will the Minister of Labour table the report Occupational Health Implications of Benzene in Ontario by M. G. Holliday, F. R. Engelhardt, J. F. Henderson and A. Homes? [Tabled April 30, 1982].

**Hon. Mr. Ramsay:** A copy of the report was placed in the ministry library on April 30, 1982.

#### INTERIM ANSWERS

**95. Mr. Renwick:** Hon. Mr. McMurtry—The information requested is currently being compiled in this ministry. We shall be in a position to table our response on or before May 21, 1982.

**108. Mr. Peterson:** Hon. Mr. Grossman—Due to the amount of information requested in the above question, it is not possible to provide a response prior to the end of the current legislative session. I anticipate that my answer will be tabled on or about October 15, 1982.



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No. 51

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, May 18, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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# LEGISLATURE OF ONTARIO

Tuesday, May 18, 1982

The House met at 2 p.m.

Prayers.

## ESTIMATES

**Hon. Mr. McCague:** Mr. Speaker, I have a message from His Honour the Lieutenant Governor signed by his own hand.

**Mr. Speaker:** John B. Aird, the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1983, and recommends them to the Legislative Assembly. Dated Toronto, May 18, 1982.

## STATEMENTS BY THE MINISTRY

### CAPITAL CONSTRUCTION FUNDING

**Hon. Mr. Norton:** Mr. Speaker, the budget presented to the Legislature last week by my colleague the Treasurer (Mr. F. S. Miller) is providing a direct increase in the construction of needed water and sewage facilities for Ontario municipalities.

My ministry will provide an additional \$5.6 million in grants to Ontario municipalities over and above the \$173.4 million already committed for the construction of water and sewage facilities in the ministry's capital construction budget this year.

**Mr. Kerrio:** It is time you cleaned up your act.

**Hon. Mr. Norton:** Watch out. You are going to be the first victim.

The extra funding was approved by cabinet not only to construct much needed water and sewage facilities, but also to stimulate employment opportunities in the construction sector. It is estimated that every \$1 million spent on this type of construction translates into 15 man-years of onsite employment in the construction industry. The \$5.6 million in additional funding, which is in support of a total of \$41.7 million in new construction, means 625 man-years of employment during the current fiscal year.

This increased funding also means an increase in jobs in associated and supporting industries. Equipment manufacturers, cement makers, pipe manufacturers and other related industries will benefit from this increased funding.

The ministry's program of grants to municipalities

and our construction activities creates a positive environmental effect and also has the added value of generating jobs at a time when they are much needed.

## CAPITAL WORKS PROJECTS

**Hon. Mr. Snow:** Mr. Speaker, it is my pleasure today to join with my colleague the Minister of Northern Affairs (Mr. Bernier) in announcing our ministries' contribution to this government's job creation initiatives through the acceleration of capital works projects announced in last Thursday's budget by the Treasurer.

With a total expenditure of well over \$1 billion per year, the Ministry of Transportation and Communications and the Ministry of Northern Affairs already generate a considerable number of jobs, both directly through our regular construction and maintenance programs and indirectly by providing all parts of the province with a first-class transportation system to support and stimulate efficient trade.

I am happy to be able to add to that figure today by announcing that a further \$60.5 million is being made available through the Board of Industrial Leadership and Development program which will co-ordinate the administration of this government's employment stimulation program. This will permit the acceleration of 31 road construction projects and many other maintenance projects as well, creating nearly 2,500 jobs in the private sector while speeding up the completion of some much needed highway work.

**Mr. Nixon:** Like the 403?

**Hon. Mr. Snow:** Just wait a minute.

**Mr. Nixon:** We have been waiting for 15 years.

**Hon. Mr. Snow:** The \$60.5 million will be spent on various types of projects. First, the labour intensive task of refencing portions of Highways 400, 401, 417 and the Queen Elizabeth Way will cost some \$3.5 million and create 240 jobs. These highways and the rest of the provincial system will benefit from an additional \$2.5 million allocated for improved maintenance, one of the areas in which we have had to cut back as a measure of restraint in recent years. Over 500 people will be employed in these tasks.



On construction projects containing concrete and steel outside the Metro Toronto area, MTC will spend \$7.7 million and the Ministry of Northern Affairs an additional \$12.5 million, employing over 600 people.

As examples of the kinds of projects we are undertaking, in the riding of Victoria-Haliburton MTC will advance a contract to reconstruct Highway 519 from 2.1 kilometres north of Highway 530 north to Eagle Lake, while MNA has been able to accelerate the upgrading of Highway 144 from 9.7 kilometres south of Highway 560 for a further distance of 36 kilometres in the riding of Nickel Belt.

Within the Metro area, another \$5 million will see 150 people working to advance construction of structures on Highways 401 and the QEW. Also in the Metro area, construction on Highways 404 and 427 will be accelerated with an additional \$2.5 million, plus another \$2.5 million for consulting fees on these projects.

**2:10 p.m.**

In other areas of the province this year, the ministries of Northern Affairs and Transportation and Communications will spend \$14 million plus additional moneys on projects which will carry over into 1983, creating another 280 jobs. These projects will include such major roadwork as the reconstruction of Highway 7 for eight kilometres east of Norwood and 13.5 kilometres of Bending Lake Road, 60.5 kilometres north of Highway 622.

On minor roadwork where local contracts are called, another 200 people will get jobs through an expenditure of \$2.3 million for day labour. Another 100 people will be employed in the construction of \$1 million—

**Mr. Sargent:** All Tory ridings.

**Hon. Mr. Snow:** If the member for Grey-Bruce had been here earlier he would have heard me mention some of the ridings which, to me, are not Tory.

Interjection.

**Hon. Mr. Snow:** Would you like to hear all this good news again, Eddie?

**Mr. Speaker:** I think we had better get on with the business.

**Hon. Mr. Snow:** On minor roadwork where local contracts are called, another 200 people will get jobs through an expenditure of \$2.3 million on day labour and another 100 people will be employed in the construction of \$1 million worth of new salt domes and patrol yards. These new salt domes—I say to the

Minister of the Environment—will help greatly with the environmental aspect of storing our salt.

In summary, construction work will be advanced to generate local employment in the following ridings—listen carefully, Eddie—Algoma, Carleton, Carleton-Grenville, Cochrane North, Burlington, Durham West, Elgin, Eto-bicoke, Fort William, Frontenac-Addington, Grey-Bruce, Hastings-Peterborough, Kenora, Kent-Elgin, Lincoln, Middlesex, Nickel Belt, Nipissing, Northumberland, Oakville, Parry Sound, Perth, Port Arthur, Rainy River—the member for Rainy River (Mr. T. P. Reid) is not here—Renfrew North—the member is not here—Sudbury East, Victoria-Haliburton and York North.

There has been an additional MTC municipal allocation of \$7 million which is now being reviewed. I shall report to this House on the distribution of that \$7 million in a few days' time.

I am confident that this extra money will prove a valuable stimulus for local economies across the province while benefiting all our citizens with the additions and refinements of our key road transportation network.

#### REPAIR AND RENOVATION PROJECTS

**Hon. Miss Stephenson:** Mr. Speaker, as a result of the budget announced last Thursday by my colleague the Treasurer, the two ministries for which I am responsible will receive an additional \$15 million for capital projects for the repair of school, college and university buildings in Ontario.

The program will be administered by the Board of Industrial Leadership and Development, of which I am pleased to be a member. The capital programs will be aimed at creating short-term employment opportunities in all parts of the province. All work undertaken under the program will be completed within the current fiscal year.

At the elementary and secondary levels, \$5 million has been allocated. This amount, coupled with the school boards' contribution, will generate a total of \$7 million. This will involve approximately 50 repair and renovation projects totalling \$4,175,000, an additional \$1,504,000 for asbestos removal and cleanup and \$1 million for energy retrofit programs in schools across the province.

The projects will be selected from school board capital expenditure forecasts submitted to the ministry last fall. The program will

concentrate on a large number of small projects, including roofing replacement, heating systems, elevators, fire safety work and small additions or renovations that can be completed within the fiscal year. It is estimated that this program will generate about 1,000 temporary jobs.

An amount of \$10 million has been allocated for repairs to university and college buildings. Of that amount, \$5.5 million will be spent on university buildings and the remaining \$4.5 million for college buildings. Preference will be given to projects that contain a minimum of 60 per cent onsite labour and that can be completed within the current fiscal year.

The program will include projects involving health and fire safety, asbestos hazard abatement, energy conservation projects and renovations and repairs. The colleges and universities have been asked to submit to the Ministry of Colleges and Universities a list of proposed projects as soon as possible. It is expected that the program involving the university and college buildings will produce some 2,000 temporary jobs.

#### CORRECTION OF MEDIA REPORTS

**Hon. F. S. Miller:** Mr. Speaker, I stand on a point of privilege. It has been widely reported by the electronic and print media that I said feminine hygiene products are not essential. Today I have reviewed my interview tape with members of the press gallery and now I know for a fact that I did not say, nor did I imply, this.

I would also like to say that a headline in the Toronto Sun today in no way reflects anything I said to that newspaper's reporter. I did not say, "Let them eat peanut butter." I did not use those words or even refer to peanut butter.

I have always enjoyed an open and frank relationship with the media and I hope to continue this. I am sure I can do this because of their natural tendency to be accurate and fair.

#### ORAL QUESTIONS

##### TAX INCREASES

**Mr. Peterson:** Mr. Speaker, I have a question for the Treasurer since he is trying to change some impressions he has created in the past two or three days.

**Hon. Mr. Eaton:** The press did that. They wouldn't put it on the front page if he did say it.

**Mr. Peterson:** Why don't you grow up?

The Treasurer was asked by a reporter in an interview, "The general impression, Frank, is

that it is a nickel-and-dime budget. People are accusing you of hitting the little guy and taking a little bit from everybody. People may not be able to afford that other couple of cents on things like a can of pop. Why is this the thrust with the budget?"

The Treasurer's response was: "That is a common thread, nickel and dime, taking it from the poor. It is the Canadian way of approaching almost every tax measure I run into. I am not aiming at the poor. First of all, I've got to challenge you. If you are poor, is it a can of pop you should be buying? You know, there must be other priorities for your money if that is what you are spending it on."

Did the Treasurer say that and did he mean it? Is that who he intended to hit with this budget he brought in?

**Hon. F. S. Miller:** Mr. Speaker, when I do say things, I admit it. Yes, I said that.

I was being asked, as I have been asked by many reporters, to explain the logic behind the sales tax base changes. My explanation has been simple. Over the years, many eliminations from base have been made. When we review the sum of 21 or 22 years of changes, we find there is not much thread or logic to some of the eliminations. A year ago, I served notice that we would review those base eliminations and I partly did so this year. It is as simple as that.

I did not use the test of essentiality, although obviously some things like food and children's clothing are not going to be taxed and are not intended for taxation.

**Mr. Peterson:** The reality is that sometimes the Treasurer talks about essentiality and sometimes he does not, to suit the purposes of his new round of tax and revenue grabs for his budget.

Does the Treasurer not agree with me that his new round of tax increases hits the poor far harder than it hits the rich? Was that the intention of his budget, to extract more out of the poor?

2:20 p.m.

**Hon. F. S. Miller:** No, Mr. Speaker. This province has an honourable record of assisting the poor in many ways, including a sales tax credit to them, and the honourable member knows that. He knows we have a sales tax credit and, in fact, that a cheque for a flat \$50 goes out once a year to every senior citizen in this province to help with those tax measures, because the bureaucracy of providing some form of special allowance in any other way would be too complex.



**Mr. Foulds:** Mr. Speaker, will the Treasurer not admit he has introduced a new regressive principle in sales taxation, which is that for the first time he is taxing labour: the labour that goes into the repair of a car, the labour that goes with a plumber coming to fix the plumbing, an essential service in your home?

**Hon. F. S. Miller:** Mr. Speaker, the honourable gentleman obviously has not understood the budget, because plumbers are not taxed.

**Mr. Foulds:** Is car repair?

**Hon. F. S. Miller:** Car repair is taxed. That is tangible—

**Mr. Foulds:** Why is the labour taxed?

**Hon. F. S. Miller:** My friend, just a second. You will have your supplementary in a moment.

If one said labour is not taxed then I do not know how I would set the tax on, say, an automobile, a refrigerator or a carving knife, because every one of those objects has labour content.

**Mr. Mancini:** Mr. Speaker, I would like to get back to the original question. We certainly appreciate the fact that the Treasurer does not intend to tax food. That certainly is a relief.

I want to ask the Treasurer why he would make such an inane comment as he was quoted as having made and which he has confirmed this afternoon that he did make: that the poor should not buy pop? Why would he give the people of Ontario the impression that the poor are wasteful with their money, that they are out spending their money on nonessential items such as pop? Why would he make such a mean-spirited statement and try to deflect the problems we have in our economy to the poor instead of tackling these problems himself?

**Hon. F. S. Miller:** Mr. Speaker, the honourable member is sinking rather low in that question, I think. In no way did I make that implication. The question put to me by the interviewer at that point was, "Was the tax avoidable?" That was the issue.

#### ONTARIO ENERGY INVESTMENT

**Mr. Peterson:** Mr. Speaker, I have a new question for the Treasurer. The Treasurer made a speech at noon and answered some questions from the Toronto Society of Financial Analysts and the Toronto Association of Business Economists at the Park Plaza Hotel. He said, "I would be quite happy to talk about anything you wish." The first question was, "Mr. Treasurer, would you care to comment on Suncor?" His response was, "It was a nonbudgetary item." Then there

were, of course, straight guffaws and, "Wasn't that a clever response?"

Then the questioner said, "When I buy a hamburger I notice it." The Treasurer said he would not talk about it today because it is not in the budget. He then went on to say, "Well, in fact, \$62 million in payments will come out of this year's budget." That is a quote. I heard the tape of his speech.

My question to the Treasurer is, does he not feel there are a tremendous number of people in this province just seething when they first see him waste hundreds of millions of dollars on things like Suncor and now he is going back to tax children and lower-income people in this province to pay for those kinds of excesses?

**Hon. F. S. Miller:** Mr. Speaker, I trust the honourable member listened to the tape carefully enough to recognize that the questioner asked a second question between the two he cited. I was there discussing this year's budget. His second question was, "How did you pay for that \$650 million?" I answered, "\$325 million was in last year's budget and \$62 million is in this year's budget." That was my answer, was it not? Was that not what was on the tape?

You see, the member conveniently likes to link things together when in fact the linkage is not always there. I was there to answer questions on budget policy, not on general government policy, and I answered all the questions from the floor quite happily.

I want to tell the members one thing: We are starting to get, as I predicted we would, an overwhelming degree of support from people like the Canadian Federation of Independent Business, who have sent a letter to us.

Interjections.

**Hon. F. S. Miller:** Oh, he is not interested in the small businessmen. They do not matter to him. That is obvious. He has no relationships with small businessmen, no. He pooh poohs them in this House. Let me say, when he is out in the hustings he talks as if he is the sole representative of the small businessmen. He is not, we are.

**Mr. Peterson:** Last week the Treasurer accused me of not understanding the poor because he was poor and I was not. Today he is accusing me of not understanding the small businessmen.

Let me tell him, he does not understand this province. This is the worst budget in the history of this province.

I want to go back and ask him the original question on which he has been weaseling for



months. How can he justify spending hundreds of millions of dollars on an oil company when he is taxing poor people in this province on their top and applying what is an obvious injustice?

**Hon. F. S. Miller:** Mr. Speaker, I assume that question is supplementary to the first question. Whether the Leader of the Opposition likes that investment or not—and he had his option and he has said he does not—in the wisdom—

Interjections.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** I am here answering his questions. I remained patiently in my seat as he asked them.

Interjections.

**Hon. F. S. Miller:** One of the great things about my party, my friends—it was obvious in their party yesterday; there is no unanimity to that party. It took them all day long to decide if they would come back here to vote. The member for Brant-Oxford-Norfolk (Mr. Nixon) missed one day of guidance to that party and it fell apart.

**Mr. Cooke:** Mr. Speaker, I would like to ask the Treasurer: A 59-year-old woman in my riding lives on \$2,700 a year through general welfare. What is more of a priority to him and his government, \$650 million to Suncor or giving this woman enough money to live in dignity in this province?

**Hon. F. S. Miller:** Mr. Speaker, I find that a bit confusing since the member's party wanted us to spend \$1,300 million to buy Suncor.

**Mr. Peterson:** Just because the Treasurer is confused about Suncor—and he talks to me about caucus unanimity; they are all experts on dissension. We are the only ones who understood this question from the beginning.

I want to ask the Treasurer, is he going to stand up and continue to weasel or is he going to admit now that he should have sold Suncor in order to keep the taxes down for those people who can least afford to pay them?

**Hon. F. S. Miller:** With the failure of Alsands and a number of other projects, the member may be very pleased to see one of the indigenous synthetic fuel plants being partly owned by this province in the future, and able to guarantee a degree of supply of oil and with the potential to expand.

#### BUDGET PRIORITIES

**Mr. Foulds:** Mr. Speaker, I would like to ask the Treasurer why he made the decision to

attack Big Macs and to reduce the tax on La Scala meals? Why did he feel he had to attack the working and the poor to raise revenue instead of attacking poverty in this province? I want to know why he has his priorities in his budget so skewed that at the present time his taxation bounds are so out of line that corporate taxes provide only 7.5 per cent of his revenues, while personal taxes provide a phenomenal 52 per cent?

2:30 p.m.

**Hon. F. S. Miller:** Mr. Speaker, I think the honourable member in the latter part of his question starts touching upon legitimate differences of approach between his party and mine to the health of the economic sector. I suggest to him that we believe the small business community and the corporate community are essential job creators. He has been telling me for months that nothing is more important than job creation.

In this budget, not only have we taken action to produce short-term jobs in the public sector, as he heard my three colleagues announce today, but also we have taken what will be recognized as one of the bravest steps for a long time: the elimination of corporation tax in the very area where business really creates jobs, Ontario's small business community. As that ripples through the economy, we will be seen to have taken one of the most positive job-creating steps any government has taken for years.

Apart from that, the first part of the member's question was traditional rhetoric. I think he would have to accept the fact that he has started out almost every question to me every year by saying I am hitting the poor and doing something for the rich.

**Mr. R. F. Johnston:** Why didn't you mention the problem of somebody living on \$2,900 in this province? You don't even mention it in this budget. That's your priority.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** I only suggest to the member that one of the components of the hospitality industry that is most competitive in international markets remains the convention business. Steps taken in my budget give that sector of the hospitality industry a major tax advantage.

**Mr. Foulds:** Does the Treasurer not agree that in the past two years unemployment has become the major problem in Ontario? In the past two years, since 1980, he has increased his revenues from personal taxes by 48 per cent and



decreased taxation to the corporate sector by 21 per cent. How many jobs has the Treasurer created in that way? Not one.

**Hon. F. S. Miller:** One of the reasons the corporate tax is dropping is that the profits are dropping. The corporate taxes went up very quickly last year, and that was one of the reasons I did very well as year-end approached: I profited very handsomely, and I still will profit very handsomely, from the taxes on major corporations.

**Mr. Sargent:** Mr. Speaker, the Treasurer has heard from the hotel industry. I believe I got a copy of a letter sent to him with regard to the fact that he is taxing liquor at the rate of 10 per cent, food at seven per cent and rooms at five per cent—an auditor's nightmare. Why does he not be realistic and give them a straight five per cent rate across the board? He could raise much more money that way than he would by 10, seven and five.

I had a phone call an hour ago from a small coffee wagon vendor who has to go out of business because she cannot keep a set of books to sell coffee out of her wagon. Does the minister not agree totally that he has a budget that is looking after the greedy at the expense of the needy?

**Hon. F. S. Miller:** I have great respect, admiration and love for my colleague, Mr. Speaker, but I have to say to him that if he thinks five, five and five is more than five, seven and 10, then he and I stopped going to school at different levels. If I take five of everything on rooms, seven of everything on dining rooms and 10 of everything on the bar, I am getting more than if I take five everywhere. The logic of that should pervade even a Liberal mind.

**Mr. Sargent:** I'll bet you a bottle of whisky you are wrong.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** If I drank, I would take the bet. In any case, Mr. Speaker, I think the temper of Ontario's taxpayers does not begrudge a 10 per cent tax on liquor. As a matter of fact, I would suggest that is the least objected-to tax in Ontario, except by those of us who happen to be in the business. If one is in the business, one does not like it. I am in the business; the member is in the business.

**Mr. Sargent:** I am not.

**Hon. F. S. Miller:** In any event, the consumer has not been complaining about the tax on liquor.

**Mr. Cooke:** Mr. Speaker, is the Treasurer aware that in 1960 for every dollar collected in personal taxes, \$1.79 was collected in corporate taxes but that in this particular budget for every dollar collected in personal taxes, only 14 cents will be collected in corporate taxes?

Does the Treasurer not understand what a dramatic shift has occurred in the past 22 years and that more and more of the tax burden now is on the personal income tax? Is it not about time that there was a fair and equitable tax system in this province where the ordinary individual, those on middle and low incomes, paid no more than their fair share, rather than having to pay more than their fair share under this budget?

**Hon. F. S. Miller:** Mr. Speaker, I am sure my official critic has done his arithmetic and knows that he has chosen corporate income tax as the only measure of taxation from the corporate sector.

**Mr. Cooke:** No.

**Hon. F. S. Miller:** Is he not allowing for capital tax? Is he not allowing for sales tax on machinery and equipment?

**Mr. Cooke:** Yes.

**Hon. F. S. Miller:** Well, if the member is allowing for all those, his figures sound screwy to me, because until last year the balance in the main was towards the corporate sector and away from the private sector.

#### TAX BURDEN

**Mr. Foulds:** Mr. Speaker, I would like to ask the Treasurer another question about tax shifting. This is about tax shifting to the public institutions of this province, the school boards, universities and hospitals.

How can the Treasurer justify a budget that imposes massive increases in the middle of the school year on the budgets of local boards of education? For example, is he aware that the removal of the sales tax exemption on building materials, classroom supplies, Ontario health insurance plan premiums, etc., in the present year will cost Toronto more than \$750,000, Sudbury \$400,000, Windsor \$500,000 and Waterloo county \$665,000? How can he justify taking away \$250,000 from Peterborough, which is half of what they are supposed to get for the special education program?

**Hon. F. S. Miller:** Mr. Speaker, the honourable member speaks of those entities as if they were not paid for by the same taxpayers as pay for the province. They are the same people in the province. Frankly, the member knows that

we have been pursuing, with the federal government and with others, a policy of paying each other's taxes. That is exactly why those changes were made.

**Mr. Foulds:** In view of the Premier's role as the former Minister of Education—remember equalization of educational opportunity throughout the province and the county school boards?—how can the Treasurer justify imposing higher costs on assessment-poor school boards such as the Kirkland Lake Roman Catholic Separate School Board, which attempted to keep its tax increase to 6.1 per cent this year but which now must find another \$30,628 and as a result will have to levy an additional 9.8 per cent in taxes or six mills? What solution does the Treasurer have for them? What recommendations does he have about programs they should cut for their kids?

**Hon. F. S. Miller:** I am not making any recommendations to cut programs for their kids. If one looks at the gross impact on the mill rate of the changes I have made, I think one will find that it is not anywhere near the figures the member is talking about relative to the changes that occur as a result of inflation.

**Mr. Roy:** Mr. Speaker, accepting that it is the same taxpayer who pays taxes at the federal, municipal and provincial levels, how can the government expect to have any credibility with the federal government and criticize them about slowing down the rate of transfer payments to the provinces and shifting the tax burden when this government does exactly the same thing to local municipalities and school boards?

How can this government expect to have any credibility with the public of Ontario and expect to be heard, understood and believed when it does exactly the same thing to local government as the federal government is attempting to do to this government?

**Hon. F. S. Miller:** No, Mr. Speaker, that is not the same thing. A good deal of the money that the federal government redistributes goes to other provinces. In fact, the money that they have not sent back to us this year, the \$300 million, was possibly applicable to wider jurisdictions or coming from wider jurisdictions. They are not the same, and in the main we have treated our boards and our municipalities with a degree of discussion and co-operation that we have not had at the federal level. I accept that I will not get accolades from either group, but I

think I have stuck to a principle that is important and fair.

**2:40 p.m.**

**Mr. Foulds:** Why are you trying to do to the municipalities, the hospital boards and the school boards what Allan MacEachen did to you and to Ontario? Why is the tax shift not the same, Frank? Why do you consider it different? Reprehensible though that federal tax shift was, at least you had time to bargain and argue; you just failed to bargain and win.

The Premier (Mr. Davis) said at the first ministers' conference, "All governments should agree that any major restructuring of the tax system be subject to the processes of prior public consultation and review." Why did you have no consultation or review with the school boards of this province before shifting this extra burden to them?

**Mr. Speaker:** I ask all honourable members to co-operate and refer to the ministers by title in their questions. Those people who are answering should refer to the members by ridings.

**Mr. Foulds:** Sorry, Mr. Speaker; I withdraw "Frank" as unparliamentary and substitute "Treasurer."

**Hon. F. S. Miller:** I have always called him my honourable friend. I hope I can continue to do so.

I have explained to a number of audiences and I will say here that, for example, when the tax goes on building materials for a hospital in the north, where we pay five sixths of the cost, the member will find us paying five sixths of the tax. Where the school boards are involved in those capital works, our share of grant will apply.

#### LIVESTOCK DEPREDATIONS BY RAVENS

**Hon. Mr. Timbrell:** Mr. Speaker, a number of weeks ago the member for York South (Mr. MacDonald) asked me a question about press reports of livestock in northwestern Ontario being attacked by ravens. I indicated at that time that we were investigating. I would like to report on the results of that investigation.

In the intervening period, we have investigated four complaints of alleged attacks by ravens on livestock in the northwest. Of those four, we were able to obtain specimens of two animals from those four attacks. Gross and histopathological examinations were carried out by the veterinary laboratories at the University of Guelph and at the University of Manitoba in Winnipeg.



The indications from those gross and histopathological examinations are that, first, both animals were attacked by ravens just prior to death and, second, the death of both animals resulted from other conditions and not from the ravens' attacks; that is to say, the ravens attacked weakened animals. Which leads to the third conclusion of these examinations: in both cases, the animals were very weak and had other problems at birth which caused their deaths.

Because of the fact that death resulted from factors other than the ravens' attacks, which appear to have occurred on weakened, emaciated, about-to-die animals, the ministry would not be paying compensation even if present legislation included ravens in addition to wolves and bears.

In considering this matter, I have instructed staff to begin to develop amendments to our legislation to include wildlife, the definition of which we will work out with the Ministry of Natural Resources.

**Mr. MacDonald:** Mr. Speaker, since there is a widespread belief that ravens are responsible, what is the minister doing by way of public relations or dissemination of this information so the public can be acquainted with what the minister deems to be the facts?

**Hon. Mr. Timbrell:** I thought I had an obligation to report this information here first. As the honourable member knows, I had the information with me on Friday. I had indicated to the Speaker that I had the answer to a previous question. Because of rotation, the Speaker did not get to me.

We will, of course, communicate with the owners of the animals involved. I have indicated to my staff my instructions to develop some kind of a communications plan that we disseminate the information as widely as possible through the northwest.

In answer to letters I have had from several individuals in that area, I have already pointed out that they do have the right to protect their own property notwithstanding the results of these examinations if their properties are frequented by flocks of ravens.

**Mr. Van Horne:** Mr. Speaker, the minister will recall when the original question was asked that I did put a supplementary question to him on the possibility of summer employment, given that the original investigation might prove the problem was big enough to demand extra attention from some person or persons such as

university students who might be looking for a summer opportunity.

I take it from his answer that the problem, as he sees it, is not big enough to demand or require that kind of additional attention. Is that true? Or does he perceive this to be something that could bring on some summer work for university students in the northwest?

**Hon. Mr. Timbrell:** Based on this report, Mr. Speaker, I would have to say that it would not seem to me there is the need for some students to be involved. Frankly, I would not know, except perhaps in the dissemination of information which I think we can do through the local media, through our agricultural representative and his staff, and through the member for Kenora (Mr. Bernier), who has consistently indicated quite a strong interest in this matter. I am sure that through his good offices as well we can be sure the information is widely disseminated to the public in that area.

We will continue to investigate complaints, as we always do.

#### TAX ON FEMININE HYGIENE PRODUCTS

**Ms. Copps:** Mr. Speaker, I have a question of the Treasurer. I wonder whether he has skulked into the back office because he is afraid to face the music or whether he does plan on coming out. In his absence, I will direct my question to the Premier—ah, here comes the Treasurer.

In his budget the Treasurer has, among other items, imposed a tax on sanitary pads and tampons. He was quoted in today's *Globe and Mail* as saying, "In general, consumer items draw tax unless they are considered to be absolutely essential items." I understand he may revoke that quote.

He is also quoted as saying, on the issue of the essential aspect of tampons: "That's being taxed, so is men's shaving cream. I guess I can grow a beard."

Growing a beard may be advice that the Treasurer has for the men of this province. What advice does he have for the women of this province to avoid this tax?

**Hon. F. S. Miller:** Mr. Speaker, I answered that in the point of privilege. I simply point out that there are many essential items being taxed. Essentiality is not the major criterion. We have avoided certain ones like food, but we have taxed many things one could call essential.

I would say a lot of people could call an automobile essential to get to and from work, but a vehicle tax has applied for a long time. I am sure one would say the fuel in the bus that



brings one to work, if one does not own a vehicle, is essential but it is taxed.

**Ms. Copps:** It is obvious that the Treasurer has no understanding of the essentiality of sanitary napkins and tampons to the women of this province, because comparing them to automobiles is absurd.

**Mr. Speaker:** Supplementary, please.

**Ms. Copps:** By what possible stretch of his mean, male-minded imagination could he impose a tax on tampons and sanitary napkins, which is a direct tax to the women of this province?

**Hon. F. S. Miller:** I am sure the member is doing her best to embarrass me. That is fine. That is her privilege. I can only say to her that I have been married for 32 years. I have some understanding of the functioning of a female.

**Mr. McClellan:** Mr. Speaker, the minister has quite rightly withdrawn the comments that were attributed to him. Why does he not simply withdraw this aspect of the tax?

2:50 p.m.

#### ASSISTANCE TO SMALL BUSINESSES

**Mr. Cooke:** Mr. Speaker, I have a question of the Treasurer. The minister will be aware, I am sure, that as of April 30, 1,207 business bankruptcies have occurred in this province. At that rate there will be 3,621 this year, which will be a 25 per cent increase over 1981.

Does the minister not understand that his tax expenditure to those companies that are incorporated only assists businesses that are making a profit? Is it not about time that he changed this program to assist the small businesses in this province that will not get the benefit of his tax expenditure but need assistance to stay in business because of the high interest rate problem?

**Hon. F. S. Miller:** Mr. Speaker, in no way do I lack concern for that truth. The fact remains that the major impediment to their success is the high interest rate policy. That high interest rate policy is a direct effect of the lack of confidence of the people of Canada in the government of Canada, a government that has shown absolute and complete incompetence in the management of this economy.

I am doing what I can; I am trying to create jobs. Jobs are created by winners; winners need some help, and I have tried to help them.

**Mr. Cooke:** The Treasurer has predicted that 10,000 jobs will be created by this \$250-million tax expenditure. Does the minister not realize

that through these 3,621 bankruptcies we will lose 18,000 jobs in this province? He stands idly by letting these losers, as he calls them, go down the drain. Why does he not get a program in place that will save those 18,000 jobs instead of doing what he is doing? We will have a net loss of 8,000 jobs under his program.

**Hon. F. S. Miller:** Any time one creates jobs one in general helps all businesses, because most businesses depend on customers earning a living to come in and buy their products. If I take any measures to stimulate the economy and, more important, to change the negative psychology, aided some days by those on the other side, that permeates this province, we just might get an uplift in everything.

**Mr. Wrye:** Mr. Speaker, surely the Treasurer understands that the greater percentage of those small businesses facing bankruptcy and of those not making a profit are in cities like my own city of Windsor and cities that have members on the government side, like Brantford and Chatham. Surely he understands that his budget did not one thing for those small businesses in these communities.

**Mr. Speaker:** Supplementary, please.

**Mr. Wrye:** All that is going to happen is that they are going to be driven further towards the brink of bankruptcy. What is the Treasurer going to do to help the small businesses in those communities that cannot make a profit right now because the economy is so far down?

**Hon. F. S. Miller:** I think that basically was the question asked by the previous member.

#### CORRECTIONAL STAFF PRACTICES

**Mr. Eakins:** Mr. Speaker, while the Treasurer speaks of job creation, I would like to direct my question to a minister who fired five of his employees, the Minister of Correctional Services.

The minister will recall that it was just one year ago when a series of serious incidents took place at the Lindsay Jail which resulted in his ministry firing five guards to take attention off serious problems in his ministry's administration. Knowing that these were very difficult inmates with bad records and that three days after incarceration at Lindsay one inmate brutally attacked and beat one of the guards, and in view of the fact that one month later these same guards were again beaten by these same inmates, why were these inmates not moved to a more secure institution? Why did he let this continue to fester until, a third time two days later, a



similar incident happened and then he fired the guards? Why did he allow this to happen, and why did he not fire or discipline some of the people in his own ministry?

**Hon. Mr. Leluk:** Mr. Speaker, I have corresponded with the member for Victoria-Haliburton on three occasions regarding this matter. He knows that we had a very thorough internal investigation into the incident he speaks of. On the basis of the findings of the investigation conducted by our own inspections and investigations branch, disciplinary action was taken against the five officers in question, the five members of our staff, for use of force that exceeds ministry policy and guidelines.

These five staff members grieved the decision of my ministry. In both cases, in reviewing the information that was provided, two independent arbitration tribunals found that there was use of excessive force by the jail guards or correctional officers, and they upheld the decision taken by my ministry.

I would like to know whether the member for Victoria-Haliburton condones the use of excessive force by staff members in our institutions. Is he telling this House that he does not believe in the grievance process in this province? Where do the member and his party stand on that matter?

**Mr. Eakins:** I think the minister will agree that one of the reasons all this happened is that there is practically no training for the jail guards in the province. The minister will recall that a judge and jury in Lindsay court acquitted eight guards on charges of assault; the minister says they used excessive force, but a judge and jury said they did not. The minister continues to want to use five employees as scapegoats.

**Hon. Miss Stephenson:** Ask the question.

**Mr. Eakins:** Let the minister listen to this.

**Mr. Speaker:** Order.

**Mr. Eakins:** Speaking of the training of these jail guards, I quote from the grievance board report:

"There is no doubt in anyone's mind that inmates Brabant and Barnes were dangerous individuals. They had brutally beaten two correctional guards two nights earlier. They had been making threatening comments since they had been incarcerated on April 17. After the May 24 incident, it was determined that when one of them was taken from his cell there would be at least two correctional officers present and with night sticks. No one at the Lindsay Jail

could recall any previous occasion when riot or night sticks had been issued to the staff."

Still speaking of training, I also want to read the other grievance board report—

**Mr. Speaker:** I am waiting patiently for the supplementary, please.

**Mr. Eakins:** This is very important. I quote: "Added to this is the fact that none of the guards had any skill in the use of such sticks and should not have been using them in close combat. Added to this is the fact that Mr. McGill had only served nine shifts and was faced with a highly dangerous inmate!"

Is the minister telling me that the guards who serve in the jails in this province are properly trained? Here we have a grievance board report saying they are not.

**Hon. Mr. Leluk:** I am telling the member for Victoria-Haliburton that my staff does have adequate training for the purpose. I just want to point out one thing. The member mentioned that the courts acquitted members of our staff at the Lindsay Jail, and that is very true. But there were two independent investigations conducted, one by the Ontario Provincial Police and one by my own investigations and inspections branch. Those staff members who were acquitted were charged with assault causing bodily harm arising out of the OPP investigation.

In our case disciplinary action was taken, not for assault causing bodily harm but for the use of excessive force in the line of duty, breach of regulations—

**Mr. Kerrio:** You don't expect the guards to use their night sticks to pick their teeth

**Mr. Speaker:** Order.

**Hon. Mr. Leluk:** So there is the difference. I want to say to the member for Victoria-Haliburton that the staff of our institutions have a very difficult job. They do an excellent job in handling the inmates in this province. I have always supported our staff but this minister and this ministry will not tolerate use of force in excess of that which is prescribed under our regulations.

#### OHIP PREMIUM INCREASES

**Mr. McClellan:** Mr. Speaker, I have a question of the Treasurer with respect to his 17 per cent increase in Ontario health insurance plan premiums. Obviously he has chosen to pay the first year's instalment of the \$1-billion doctors' settlement out of increases in OHIP premium revenue.

Can I ask the Treasurer how he conceivably

thinks it makes any sense that OHIP premium revenue now is approximately equal to the total amount of revenue raised by corporate taxes in Ontario?

Second, does he think there is any justice in a taxation system which imposes on a family of four earning a family income of \$15,000 a year, more money in taxes from premium rates, which is now \$648 a year, than is imposed by the progressive provincial income taxes? How can he possibly justify that kind of a tax system?

3 p.m.

**Hon. F. S. Miller:** Mr. Speaker, on average I am told 70 per cent of all the OHIP premiums are paid by corporations.

**Mr. Foulds:** What about the other 30 per cent?

**Hon. F. S. Miller:** Obviously, the other 30 per cent is paid by individuals. Some of them are paid—

**Mr. Foulds:** What about it?

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Some of them are paid by individuals directly. Some of them are partially paid by individuals and partially by corporations.

I simply say to the member that the paper I put forward is one on which I am asking for discussion. I hope the honourable member will add to the response. I would assume his party would. We have been very specific in the paper. We invite the member's response and the response of small and large industry. I think he will find that if we do away with the OHIP premium and make it a payroll tax, the companies being hurt the most would be the least able to pay, the small business people.

**Mr. McClellan:** The payroll tax is the Treasurer's suggestion so of course he can shoot it down at will. It will only fall on his own head.

**Mr. Speaker:** Supplementary, please.

**Mr. McClellan:** My supplementary is this: In response to a question on the Order Paper the Treasurer has already indicated to us in his answer of April 22 that only 52 per cent of families eligible for premium assistance in Ontario are actually receiving it. Why has he brought down another major increase in OHIP premiums, now totalling a 35 per cent increase in premiums over the last two years, without doing anything at all about the utterly useless premium assistance program?

**Hon. F. S. Miller:** The premium assistance program is not utterly useless. We have dis-

cussed that many times. The member knows, as we do, that finding out how many people truly are not utilizing it is very difficult.

The fact remains that at some time or other every member of this Legislature has had a constituent who, through error, neglect, ignorance or whatever, did not pay OHIP or was not required to pay OHIP because of their status. The member knows when disaster overtook them in the form of ill health, this government has always looked after them.

**Ms. Copps:** Is the minister suggesting that all people who pay direct should now withhold their premiums because this government will "look after them," because that is the actual effect of his statement?

**Mr. Speaker:** Supplementary, please.

**Ms. Copps:** My question is: How can the Treasurer say this premium assistance program is adequate when a Toronto family of four earning \$14,000 a year, which is \$2,000 below the poverty line according to the National Council of Welfare, must pay full premiums in this province? How can he call that program adequate?

**Hon. F. S. Miller:** Mr. Speaker, I invite the honourable member's response too.

#### TAX ON SOLAR EQUIPMENT

**Mr. Kerrio:** Mr. Speaker, my question is to the Treasurer. Does the Treasurer recall a statement he made on Friday that the sales tax could now be applied to energy conservation and renewable energy equipment because the seven per cent sales tax exemption is no longer the catalysing factor?

The Treasurer obviously did not talk to the executive director of the Canadian Solar Industries Association, Mr. A. J. Gatrill, who stated to us that, "applying the tax on solar equipment is a step in the wrong direction and runs counter to policies promoted by the Minister of Energy," who sits two places over from the Treasurer. Given that the Ontario solar industry is a new industry with major opportunities for job creation, can the Treasurer explain why he is thwarting the growth of this industry?

**Hon. F. S. Miller:** I am sure the Minister of Energy (Mr. Welch) will go into any programs he has to support that industry.

At the same time I had to look at the exemptions, as I have said about other items, and decide which ones were critical at this point in our history and to decide whether today's economics, with the price of oil and electricity,



really would stop a person from making an investment either in that type of heating system or the energy saving devices. The answer is no, it will not.

**Mr. Kerrio:** I am sure the Treasurer realizes that the hon. Minister of Energy was in Niagara Falls last Friday cutting the ribbon on a joint effort by Ontario and an independent owner for solar collectors. He may have been snipping the very life of the solar industry, as was said by the people in attendance.

**Mr. Speaker:** Now for the supplementary.

**Mr. Kerrio:** Is the Treasurer aware he also stated on Friday that the real energy savings are in off-oil? Is the Treasurer aware that in the US and other jurisdictions there is no sales tax on solar equipment, and there are even individual states giving tax credits ranging from 40 to 60 per cent on the total cost of solar equipment?

Since the government is so committed to the off-oil program and has spent over \$6 million on "Preserve it, conserve it" ads, why does the Treasurer not repeal this tax component and provide the type of incentive that will create jobs in this province, particularly in the solar industry whose demise will be brought about by that seven per cent tax?

**Hon. F. S. Miller:** I understand my colleague, the Minister of Energy, explained the grants to that particular industry when the member was at that opening, did he not? Did he not talk about a 75 per cent grant from this province?

**Mr. Kerrio:** Yes.

**Hon. F. S. Miller:** Does the member not think that is more important than a 7 per cent sales tax? I do not think his arithmetic is very good.

**Mr. Foulds:** Mr. Speaker, is the Treasurer not aware that even provinces much less rich than Ontario, such as Newfoundland, Nova Scotia and Prince Edward Island, exempt solar material and material such as insulation, weather-stripping and wood-burning stoves? What makes it necessary for a province still as rich as Ontario to impose that tax when the poor provinces can avoid it?

**Hon. F. S. Miller:** I am also aware that the sales tax rate in Nova Scotia is 10 per cent, in Newfoundland it is 11 per cent, and the sales tax rate in almost every other province in this country is greater than in Ontario.

#### TAX INCREASES

**Mr. Di Santo:** Mr. Speaker, I have a question for the Treasurer. But first, if he makes a

comparison with a Third World country, Ontario looks even better.

Does the Treasurer not realize he is imposing the sales tax on building material for boards of education and municipalities, home owners and tenants who pay property taxes—and those taxes have already been increased in 1982 to the point where many people cannot pay them? Can the Treasurer explain if this further increase in taxes will go in the direction that was announced by the premier (Mr. Davis) before the election to reducing the property taxes and the eventual elimination of school taxes for senior citizens in the Brampton charter?

**Hon. F. S. Miller:** We have done more than honour the Brampton charter.

Interjections.

**Hon. F. S. Miller:** Bramalea, of course.

**Hon. Mr. Davis:** Bramalea, that's right.

**Hon. F. S. Miller:** I have been listening to that speaker too long. It is not the Brampton charter, it is the Bramalea charter.

We came up with what has to be Canada's most generous support program for senior citizens. On average, we are paying all the school taxes for over 60 per cent of Ontario's senior citizens and we are paying most of the taxes for most of Ontario's senior citizens, including municipal taxes.

**Mr. Di Santo:** The Treasurer chose not to answer the question about the imposition of the sales tax and the increase that will result even though, as he said, it will be negligible. But can the Treasurer explain why, if the Ontario scheme is the most generous in Canada, the grants for senior citizens have not been increased at all? At the present rate of inflation, that means they will be lower than they were last year and senior citizens will pay more than they used to pay last year.

Can the Treasurer also explain why there is no mention whatsoever in his budget of the reform of property taxes? These are totally based on fictitious value of the houses and have no relation at all to the ability of the citizens of Ontario to pay. Or has the Treasurer lumped all the home owners and tenants in the category of losers?

3:10 p.m.

**Hon. F. S. Miller:** I have not, Mr. Speaker. I want to say that the percentage of family income in Ontario represented by municipal taxes has dropped from somewhere around 2.8 per cent to around 2 per cent over the last few

years, because this province has generally maintained its grant structure such that the mill rate increases across this province were below inflation in most municipalities.

**Mr. Roy:** Mr. Speaker, how can the Treasurer, in the same breath, speak about what he calls the Bramalea charter and his budget, when one of the major promises of that charter was a balanced budget by 1981?

Has the Treasurer no shame? Is he not embarrassed that one of the major pillars or promises of that charter was a balanced budget? He comes forward this year with a \$2.2 billion deficit. Is he not ashamed?

**Hon. F. S. Miller:** Mr. Speaker, one of the assumptions we made in the Bramalea charter was there would be a federal Conservative government. Because of that miscalculation, the economy of this country has gone to pot and I have had to take some pump priming actions.

#### ASSISTANCE TO FARMERS

**Mr. Riddell:** Mr. Speaker, I have a new question for the Treasurer.

In view of the fact that the overall requirement of the farming community is for low interest loans for consolidated debts or a system of subsidies to assist farmers over this period of high interest rates, why has he ignored this problem in his budget and instead brought in a farmstead improvement program? Why is the minister content to paint over the problem rather than getting to the root of the problem, which is high interest rates? Or is the minister's real concern that barns be painted for the auctioneer to get the best price he can for the farmer who is forced to go into bankruptcy?

**Hon. F. S. Miller:** I was thinking of the honourable member's old business, as a matter of fact. He surely should know about auctioneering.

I want to say that the Canadian Federation of Agriculture obviously knows where the responsibility for that kind of assistance lies, because right now, it is in Ottawa petitioning the federal government for that kind of change.

**Mr. Riddell:** I did not expect the Treasurer would be blaming the feds again. I thought maybe he would be alluding to the so-called farm adjustment assistance program.

**Mr. Bradley:** Bring back the constitution. Get back in bed with them.

**Mr. Speaker:** Order.

**Mr. Riddell:** Is the Treasurer aware the Ontario Federation of Agriculture has stated

that the inadequacies of his government's assistance program far outweigh any possible benefits? He is, no doubt, aware that their reaction to his budget has been that either the Treasurer does not believe there is a problem—and I really feel he does not believe there is a problem—or he simply does not care. Is his only answer to those farmers who are struggling to survive, a \$5 million farmstead improvement program that will be wiped out by the Ontario health insurance plan premium increases that he predicts will cost the farmers about \$5.5 million?

**Hon. F. S. Miller:** I do not know how farmers could be paying that OHIP premium if they are not making any money because they are eligible for assistance. Maybe they are the ones not applying. Why does the honourable member not go back and counsel some of them to apply? Obviously they would be eligible, would they not, if they are in that state?

Interjections.

**Hon. F. S. Miller:** Surely, they would be. Surely the honourable member should go back and do his duty in the riding and tell them that.

I want to point out—

Interjections.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Always nice to see when it hurts. Since June of last year, this province, on its own, has paid or committed over \$120 million of assistance. As recently as yesterday, I met with the president of the OFA at a meeting. I am sure my colleague, the Minister of Agriculture and Food (Mr. Timbrell) has very close relationships with them. We know there are major problems.

We know there are major problems. We know they are on several fronts. We are working with them and, if the member reads the budget carefully, he will see there were commitments to have more programs from that ministry.

**Mr. MacDonald:** Mr. Speaker, on the question of the burden of high interest rates and this government's reaction to that, is the minister aware that, in spite of the 5,000 farmers he said the farm adjustment assistance program was going to help, the latest figure after five months is that he has accepted applications from 530? Is he not kidding the public by suggesting that even his figure of farmers in trouble is going to be met when only 530 applications have been met after five months?

**Hon. F. S. Miller:** Mr. Speaker, I do not handle the applications. I can assure him they



are handled by others. I can assure him too that, as problems with the processing were made known early to the minister, he took steps at once to change them. I really have not heard, maybe he has, complaints of the nature the member is making about the program. What I do believe has happened is a number of farmers have received a good deal of financial advice as well as assistance once they got into this process.

### BUDGET FIGURES

**Mr. MacDonald:** Mr. Speaker, my question is for the provincial Treasurer. On page 29 of budget paper C there is a tabulation of expenditures. It indicates that last year this government spent \$298 million for Agriculture and Food. That is an estimated figure for the fiscal year that ended March 31. His figure for expenditures this year is \$284 million.

In view of all of the rhetoric of the throne speech at the beginning of this session and the rhetoric of innumerable speeches from the new Minister of Agriculture and Food, how can the Treasurer reconcile that rhetoric with the fact he is planning to spend less for Agriculture and Food this year than he did last year?

**Hon. F. S. Miller:** Mr. Speaker, I am basing it on figures from the minister because he is more familiar with his own budgetary figures than I am. I believe they can be corrected and I would be glad to put the right figures on the record when I have them.

**Mr. MacDonald:** Mr. Speaker, on a point of order: That these are not the right figures when they are quoted right out of page 29 of budget paper C in the provincial Treasurer's own budget statement is misrepresentation.

**Hon. F. S. Miller:** On that point, Mr. Speaker, I am pointing out there are some explanations because printed estimates were considerably less than actual spending last year.

**Mr. Speaker:** Petitions. Reports. Motions.

### MOTIONS

#### PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moved that private members' public business not be taken up on Thursday, May 20, and that the balloted items all be moved down one place accordingly.

Motion agreed to.

#### PRIVATE MEMBER'S BILL

Hon. Mr. Wells moved that, notwithstanding

standing order 65(g), a private bill respecting the township of Moonbeam may be introduced and given first reading so the bill may be considered by a standing committee on Wednesday, June 9, 1982, by which time publication of the notice of application for a private bill will be completed

Motion agreed to.

**Mr. Speaker:** Motions. Introduction of bills.

**Hon. Miss Stephenson:** Mr. Speaker, you did not say "Reports."

**Mr. Speaker:** Yes I did, with all respect.

**Hon. Miss Stephenson:** I am sorry. I did not hear you.

**Mr. Speaker:** Do we have unanimous consent to revert to reports?

Agreed to.

### REPORT

#### FRENCH LANGUAGE SCHOOLS

Hon. Miss Stephenson presented the report of the Joint Committee on the Governance of French Language Elementary and Secondary Schools dated April 1982.

**Hon. Miss Stephenson:** Mr. Speaker, this report is being distributed today to all members, organizations and interested individuals for comment.

3:20 p.m.

### INTRODUCTION OF BILLS

#### PUBLIC REMUNERATION DISCLOSURE ACT

Hon. F. S. Miller moved, seconded by Hon. Mr. McCague, first reading of Bill 116, An Act to provide for the Publication of Remuneration paid to Officers and Employees of Public Agencies and of Public Bodies substantially supported by Public Funds.

Motion agreed to.

#### CALABOGIE ASBESTOS MINING COMPANY LIMITED ACT

Mr. Yakabuski moved, seconded by Mr. J. A. Taylor, first reading of Bill Pr19, An Act to revive the Calabogie Asbestos Mining Company Limited.

Motion agreed to.

#### MISSIONARY CHURCH CANADA EAST ACT

Mrs. Scrivener moved, seconded by Mr.

Yakabuski, first reading of Bill Pr20, An Act respecting the Missionary Church Canada East.

Motion agreed to.

#### TOWNSHIP OF MOONBEAM ACT

Mr. Piché moved, seconded by Mr. Harris, first reading of Bill Pr32, An Act to continue the Corporation of the Township of Fauquier under the name of the Corporation of the Township of Moonbeam.

Motion agreed to.

**Mr. Bradley:** Mr. Speaker, this one, interestingly enough, is on dog waste.

#### CITY OF ST. CATHARINES ACT

Mr. Bradley moved, seconded by Mr. Kerrio, first reading of Bill Pr30, An Act respecting the City of St. Catharines.

Motion agreed to.

#### UNIVERSITY OF WESTERN ONTARIO ACT

Mr. Van Horne moved, seconded by Mr. Roy, first reading of Bill Pr14, An Act respecting the University of Western Ontario.

Motion agreed to.

#### ONTARIO NEW HOME WARRANTIES PLAN AMENDMENT ACT

Mr. Philip moved, seconded by Mr. Swart, first reading of Bill 117, An Act to amend the Ontario New Home Warranties Plan Act.

Motion agreed to.

**Mr. Philip:** Mr. Speaker, this bill provides that damages in respect of unfinished work not be excluded from the categories of damage for which compensation may be payable under the Housing and Urban Development Association of Canada guarantee fund. The bill also increases from 15 to 60 days the period during which a person seeking review of a decision about compensation made by HUDAC may require a hearing by the Commercial Registration Appeal Tribunal.

#### RESIDENTIAL TENANCIES AMENDMENT ACT

Mr. Philip moved, seconded by Mr. Swart, first reading of Bill 118, An Act to amend the Residential Tenancies Act.

Motion agreed to.

**Mr. Philip:** Mr. Speaker, this bill would require that landlords of rental units which are exempt from rent review because they were not

occupied before January 1, 1976, or because the monthly rental exceeds \$750, provide prospective tenants with written notice of the exempt status. The consequence of failure to provide notice would subject the unit to rent review for a two-year period.

#### ANSWER TO QUESTION ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day I would like to table the interim answer to question 131 standing on the Notice Paper [see Hansard for Friday, May 21].

#### ORDERS OF THE DAY

##### BUDGET DEBATE

(continued)

Resuming the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

**Mr. Speaker:** The member for Rainy River.

**Mr. T. P. Reid:** Mr. Speaker—

**Mr. McClellan:** Mr. Speaker, on a point of order: Pursuant to standing order 19(b) I move that the member for Windsor-Riverside (Mr. Cooke) be now heard.

**3:47 p.m.**

The House divided on Mr. McClellan's motion, which was negatived on the following vote:

##### Ayes

Breaugh, Bryden, Cassidy, Charlton, Cooke, Di Santo, Foulds, Gillies, Grande, Hodgson, Johnson, J. M., Johnston, R. F., Kolyn, Laughren, MacDonald, Mackenzie, McClellan, Philip, Piché, Renwick, Samis, Shymko, Stokes, Swart, Wildman.

##### Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Birch, Boudria, Bradley, Brandt, Breithaupt, Copps, Cousens, Cunningham, Cureatz, Davis, Dean, Drea, Eakins, Eaton, Edighoffer, Elgie, Elston, Epp, Eves, Fish, Gordon, Gregory, Haggerty, Harris, Havrot, Henderson;

Kells, Kennedy, Kerr, Kerrio, Lane, Leluk, MacQuarrie, Mancini, McCaffrey, McCague, McGuigan, McKessock, McLean, McNeil, Miller, F. S., Miller, G. I., Mitchell, Newman, Nixon, Norton, O'Neil, Peterson, Pope, Ramsay, Reed, J. A., Reid, T. P., Riddell, Robinson, Roy, Runciman, Ruprecht, Ruston;

Sargent, Scrivener, Sheppard, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van



Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye.

Ayes 25; nays 84.

**Mr. T. P. Reid:** Thank you, Mr. Speaker. I would like to thank the members for that overwhelming vote of confidence in my remarks. I presume they will vote the same way when I put our motion of no confidence in this budget.

Before getting into the substance of my remarks I want to thank the staff who assisted me in preparing these remarks. I would like to say in beginning that we in the Ontario Liberal Party appreciate the problems facing the Ontario economy today. We understand the international context and the problems that have been laid on Ontario and Canada by the situation, particularly in the United States. We also understand and appreciate the problems of the federal government.

We do believe, however, there are actions that can be taken by the province of Ontario to alleviate some of these problems facing our people and that this government has refused to address them in this budget. The budget of the Treasurer (Mr. F. S. Miller) has failed to deal with the problems facing the Ontario economy at the moment and has failed to prepare Ontario for the new opportunities that will be ours in the future if we plan for them now.

In that context this is a very disappointing budget. It is a pickpocket budget. It is picking the pockets of everyone in Ontario for nickels and pennies to put into the Treasurer's coffers. It is disappointing that when we have a cabinet over there of 27 people, a civil service of 82,000 people and a budget of \$23 billion there could not have been more imagination and creativity shown. In fact, the only imagination shown in the entire budget was the jacket the Treasurer was wearing the night he delivered his budget speech.

We are disappointed along with the youth of this province, who see no hope for the future and for permanent jobs; we are disappointed along with those who are going to lose their houses, their small businesses and perhaps their farms because there is no assistance in the budget; we are disappointed along with those who live below the poverty line or close to it because of the regressive taxes the Treasurer has brought in.

Mr. Speaker, I would like to ask you where is the Premier (Mr. Davis) of the province that used to be the most prosperous in Canada, that used to be the leading manufacturing province in Canada, the most prosperous and the most

dynamic province? Where is the Premier of the Bramalea charter, the Premier of "Davis can do it," the Premier who said in the election of 1981 that he wanted "a mandate to combat inflation through smaller and more efficient government, avoiding tax increases and supporting those on fixed incomes, particularly our senior citizens"? Where is that Premier and where is that Treasurer today?

I will tell members where they are. The Premier today is down at your local pet store slapping a seven per cent sales tax on puppy dogs and goldfish; he is down at the supermarkets and discount stores rifling through people's shopping bags to slap a seven per cent tax on personal hygiene products, toilet paper and underarm deodorants to pay for Suncor and his jet; he is busy down at the schoolyards taking seven per cent from school children for their binders, papers and school supplies and seven per cent at the cafeterias for their lunches.

**4 p.m.**

This budget not only is unfocused and undirected but also is extremely contradictory. There is no thrust in this budget for the future. There is no discussion of stagflation, the problem we are facing in this province. It is unfounded and undirected.

One gets the feeling that the ship of state is rudderless, that the captain is downstairs with the crew from the bridge trying to decide what he is going to do next year, what his future is, while the Treasurer, the navigator, is alone on the bridge with the iceberg of inflation on one side and the iceberg of unemployment on the other. He does not know exactly what to do, and he is heading for the rock of Suncor right in the middle.

We are talking about two things here. We are talking about the priorities of Ontario. Our priorities are, first of all, the survival of those who are already in our economy and, second, preparing for the future.

Our philosophy in the Liberal Party is to help those who through no fault of their own may find themselves in the position of losing their homes, their small businesses and their farms. We in this party believe the poor do not go out of fashion because the economic times get tough. Yet this budget does not help any of those people.

Our priorities are to keep people in their homes, in their small businesses and on their farms. We want to prepare a future for Ontario and to prepare Ontario for the future. In that regard, we want to see a new ministry of science,



technology and productivity to deal with the future needs of Ontario. We want to see increased and expanded retraining and apprenticeship programs for our youth and our unemployed. We want to stimulate the auto and housing sectors. We want to see an expanded program for agriculture, tourism and small business. We want to see programs for northern Ontario. And we want all of these to be tied together by an industrial strategy for the province.

Finally, we want to see again investor confidence in Ontario, because investment must be the engine for growth and the engine that will create jobs. In this regard, we join with the Treasurer in his somewhat veiled and vague signal to Ottawa to provide some greater incentives so that the people of Ontario who do have money, who have cash in the bank on short-term deposits, will once again invest in the real productivity of Ontario.

We in this party want to see the elimination of waste and mismanagement. We do not want to see any tax increases, which at the best of times are inflationary but which in a period such as we are in now only add fuel to the flames of inflation. The Treasurer has already thrown a bucket of gasoline on the flames of inflation.

These taxes as well, as my colleagues have pointed out, are inflationary and regressive. They hurt those who can least afford it. The Treasurer stood in his place today and denied that he said, "Let them eat peanut butter." It is somewhat reminiscent of Marie Antoinette saying, "Let them eat cake." But if he did not use those exact words, the message was clear through the budget that this is exactly what he meant.

If one looks at the budget statement, there is no assistance for the poor and the near poor. There is no assistance for people on the guaranteed annual income system. In fact, if one looks at the budget statement at the back of the book, one will see that there are two cents less of the tax dollar being spent on social services in Ontario this year than last. Who is being hurt most by the economy today?

Our biggest problem with this budget, other than that, is all the contradictions that run through it. It makes one wonder what the Treasurer was wringing his hands about and worrying that he did not know what to do in these difficult economic times if this is the best budget he could come up with, a budget of \$24 billion and a deficit of \$2.2 billion. With a staff of 400 in the Ministry of Treasury and Economics, 82,000 civil servants, banks of computers—all

that expertise—the best he could come up with was to hammer the poor.

I want to discuss the contradictions in the Treasurer's budget. If he is trying to regain investor and business confidence in this province he has done it in the worst possible way, because all the messages he has sent out, all the specifics in the budget, are contradictory.

**Mr. Watson:** Did you read the editorials today?

**Mr. T. P. Reid:** My friend opposite talks about editorials. I suggest that he read the editorial in Saturday's *Globe and Mail*, which usually has the best editorials of any paper in Toronto. If he reads those editorials, he will see that they agree with this party and the questions that I raised on Friday and that the budget is contradictory. I will run through some of those contradictions.

On the one hand, the Treasurer says there is going to be a nine per cent growth in Ontario in the last few months of this year. The Conference Board of Canada and others are suggesting there is going to be minus 2.1 per cent real growth over the year. The Royal Bank and others are predicting the same as the Conference Board. The Treasurer, with his head in the sand, is the only one who is being optimistic, and so his credibility is shot right there.

Here is another contradiction. The government has spent millions of dollars—\$6 million, as my friend the member for Niagara Falls (Mr. Kerrio) said today—to promote energy conservation; and now the Treasurer comes along and removes the incentive to purchase items such as storm doors, windows, thermal insulation and wind deflectors for trucks. He removes the sales tax on solar systems. What are businessmen out there supposed to do with these contradictions? What message are they supposed to get?

The Ontario government has criticized the federal government for cutting back on expenditures on health and post-secondary education, and then the budget blatantly states on page 17: "I now serve notice to all recipients of provincial funds that they should not count on future funding at or above inflation rates."

The Premier built his reputation partly on the fact that he was Mr. Transportation Man and was supporting public transit. Now, in the budget, he adds the sales tax to buses and to the labour on the servicing of most buses used for public transport across Ontario. On the one hand, he says he is trying to promote public transport; on the other hand, he adds the seven per cent sales tax. Again, that is a contradiction.



Is the government going to make up that difference in cost to the municipalities? If so, what is the purpose of adding the sales tax except to signal that public transit is no longer a priority with the Premier?

The budget announces a \$133-million capital works acceleration program as a job creation program. At the same time, it will apply retail sales tax to "building materials and certain other items purchased by publicly funded bodies such as municipalities." On the one hand, he says he is going to accelerate public works in Ontario; on the other hand, he is going to slap seven per cent sales tax on those supplies.

Figures I have here indicate that the net deficit to municipalities because of this seven per cent increase is going to be something like \$25 million, between \$25 million and \$27 million to school boards and \$11.25 million to colleges and universities—all going into the Treasurer's coffers. We know what a sad state of affairs they are in already. Based on figures from the Treasury, we calculate that there is going to be an increased burden of something like \$61.25 million on those three levels of services to the public. The only way they are going to get that money is from higher taxes, and again we are going to have a higher rate of inflation in this province.

**4:10 p.m.**

Another contradiction is where the Treasurer talks about assisting the hospitality industry. What he has done is further confuse and muddy and add to the ranks of accountants and auditors employed. What he has done for the hospitality industry in this budget is increase taxes on liquor to 10 per cent and place a five per cent tax on rooms and a seven per cent tax on other things; so there are three levels of taxation in the hospitality industry.

Another thing I bring to members' attention is that the Treasurer says he is lowering the accommodation rate of tax, but he is adding the retail sales tax on things like soap and toilet paper. Obviously, the hotels, motels, and hospitality industry have to recapture those costs. All he has done is to lower the tax but broaden the base; so it is really a matter of horizontal revenues the Treasurer is going to reclaim. Again, this is a contradiction.

Also, the Treasurer alluded very vaguely to the hidden economy we are going through. When times get tough, people start bartering, cutting corners and, in Britain I think they call it, working fiddles. The net result in Britain was that taxes were not paid into government cof-

fers because people were working fiddles to avoid them. What the Treasurer has done is add to that incentive to work fiddles by putting a tax on labour and on final consumer products, if one is having a car, outboard motor, etc., fixed. It really is a very mean, petty budget and the Treasurer is fiddling while the rest of us burn in the fires of inflation.

In the budget the government talks about job creation programs, saying there must be meaningful jobs. But then the budget dwells on and emphasizes temporary replacement programs, which do nothing to address the structural unemployment problems of the province.

The Treasurer did not deal with the structural problems in the Ontario economy, even though past budgets, his own studies on the auto sector and others, have indicated that we are not necessarily in a cyclical downturn but, rather, are facing long-term structural problems. The 55,000 jobs lost in manufacturing are not going to reappear when the business cycle starts on the upturn again—those jobs are gone forever—yet the budget emphasizes the short-term cyclical problems. Again, this is a contradiction.

Finally, I want to dwell on probably the greatest hypocrisy of all. The Treasurer talks about financial restraint and says everybody, in the words of someone else, should tighten their belts. First of all, we can draw to members' attention the fact that, in 1970-71, the budgetary deficit of the province was \$569 million. Mr. Speaker, you will recall that this was when the present Premier (Mr. Davis) became Premier. Now, under his great leadership during a number of years in which the economy was good in Ontario, we are facing a deficit of \$2.23 billion. The deficit we have today is not a creative deficit at all. It is not going to do anything either in short-term effects on the Ontario economy or in the longer term.

Again, the Treasurer talks about fiscal restraint. We in this party are obviously not happy—nobody would be—but we go along with the six per cent increase in members' salaries. But I should draw to the members' attention that at the same time this year—not too long ago; we are still debating one of the bills—the government has created a new cabinet post; out of 70 Tories over there, 62 are getting increased money; we have the chief government whip (Mr. Gregory), who is also a Minister without Portfolio, getting \$8,800 in one job and \$11,000 in another.

We have not only the symbols but also the actual pain of paying for Suncor at \$62 million



and for the Premier's jet at \$10.8 million, and yet these are the signals and symbols that we in this government are undergoing restraint. I say that is not only untrue but also hypocritical.

**Mr. Laughren:** Does the member for Chatham-Kent (Mr. Watson) think he will ever get invited for a ride in the jet?

**The Acting Speaker (Mr. Cousens):** Order.

**Mr. Laughren:** They would not even allow him in the door, does he know that?

**The Acting Speaker:** Order. The member for Rainy River has the floor.

**Mr. T. P. Reid:** I want to deal with some of these themes in a little more detail.

In the budget, the Treasurer has eliminated a number of exemptions from the provincial sales tax that directly affect energy conservation and renewal energy technologies. Items such as thermal insulation, storm doors and windows, wood-burning stoves and solar cells are now taxable.

It seems the Treasurer is taking a big step backward from the policy begun by his predecessor in the 1978 budget, and continued and extended by this Treasurer in the budgets of 1979 and 1980, that exempted conservation materials and alternative energy equipment from the sales tax.

In his response to a question in the Legislature last Friday, the Treasurer made it clear that he felt the tax exemptions were no longer necessary, that people were undertaking the necessary conservation measures on their own. However, with the removal of the sales tax exemptions, the Treasurer has overnight increased the price of energy conservation improvements by seven per cent.

The imposition of this tax will tip the balance against many improvements that were cost-effective prior to the removal of the exemptions. It is likely that many solar and conservation projects that have been under consideration now no longer make economic sense and will be shelved.

The cancellation of the solar projects will mean not only a loss of jobs but also the loss of jobs in an industry where it is essential that we give builders the skills required if solar is to be a part of Ontario's energy future. What the removal of these exemptions clearly indicates is the lack of co-ordination between ministries and no overall direction in the cabinet.

On the one hand, the government makes numerous statements in many glossy brochures about its commitment to energy conservation

and renewable energy. For example, a five-year, \$50-million solar energy program was announced in October 1980 to meet the goal of solar providing two per cent of Ontario's energy needs by 1995. On the other hand, the exemptions for solar equipment are removed to capture more revenue.

Another example is that we are bombarded daily with "Preserve it, conserve it" ads which extol the virtues of conservation. Aside from the fact that this is one of the least subtle subliminal advertising ploys in history, the Ministry of Energy has spent more than \$6 million on conservation advertising from the beginning of 1980 to March 31, 1981.

Funding for the Ministry of Energy's energy conservation program is estimated at \$23.6 million for 1981-82, up 40 per cent from the 1980-81 estimates. Now, when the consumer goes to the local building supply store, he or she will find that this government, despite its constant rhetoric, has imposed a sales tax on materials and equipment that would help him or her to achieve the goal of conservation.

Need I say more about the contradictions in policies and actions that abound within this government?

The Treasurer is a devout believer in the use of the marketplace to guide consumers' decisions. Not only are tax exemptions effective and administratively simple, but they also give the consumer a clear signal that the government is serious about conservation. The Treasurer advocates more dependence on the marketplace, and using tax exemptions is clearly the best way to guide the marketplace towards the adoption of greater conservation and renewable technology.

**4:20 p.m.**

The Treasurer also announced the withdrawal of the sales tax exemption from buses and repair parts purchased by a municipality. Again, there is an immediate seven per cent increase in the cost of equipment to transit system operators, most of whom already operate in the red. It is highly unlikely that the province will be forthcoming with extra subsidies to cover the increased costs to municipal transit authorities. Municipalities already financially strapped will be forced to raise fares, reduce services or increase the municipal tax burden. It is likely to be one of the first two options.

The effect will be to discourage the use of transit because of either the increase in fares or the deterioration of the service provided. This is exactly the opposite of the strategy the govern-



ment should be adopting if it is really serious about reducing our energy consumption. Decreased use of transit will result in increased levels of oil consumption, air pollution and traffic congestion. This is yet another example of the government's conflicting signals.

The Treasurer announced that all passenger vehicle registration fees in southern Ontario would be changed to a flat rate of \$48, while those in the north would be increased to \$24 from \$10. The differential between registration fees for passenger vehicles of various cylinder sizes has been eliminated. Again, consumers receive conflicting signals from the government. If the government is concerned with a reduction in the use of oil, then why has it chosen to reduce the registration fees for gas-guzzling eight-cylinder vehicles while increasing the rates by 60 per cent for four-cylinder vehicles?

Probably one of the most blatant examples of the contradictory nature of this budget is the measures proposed for the province's hospitality sector. First, the retail sales tax on accommodation which was reimposed at the end of 1981 has been reduced from seven per cent to five per cent. At the same time, the Treasurer now will be imposing a tax on disposable items used in hotel and motel rooms, such as soap and toilet paper. It should be obvious to the Treasurer that the hotel owner will have no choice but to pass this added cost on to the consumer in the form of increased room rates. Therefore, the consumer winds up paying a smaller tax on a larger base, which in all probability will wind up coming out even. The Treasurer claims this is a \$10-million incentive to tourism. I say that it will probably have no effect at all on the final price of the room paid for by the consumer.

There is another interesting side to this. The retail sales tax is supposed to be paid by the final consumer. I trust the Treasurer will listen to this. The sales tax on these disposable items is now to be borne by the hotel or motel operator, who is not the final consumer. Those items are taxed again when the consumer pays tax on the room. We have subjected these items, therefore, to double taxation. I have to question the legality of that move under the Retail Sales Tax Act.

With respect to the tax on prepared food and meals, the decrease from 10 per cent to seven per cent was something we have called for; but to wipe out the positive aspect of this by eliminating the \$6 exemption is sheer hypocrisy. Restaurants were already going out of business

in record numbers last year. What will this do to them?

The government is now taxing what they have referred to as essential meals—and they are essential. The student away from home has no other place to eat but the school cafeteria. If that is not essential, I do not know what is. Believe me, a lot of restaurants used to provide specials at a price of \$5.95 which groups like seniors could really take advantage of because of the tax break. Family-style restaurants like Ponderosa kept their prices just under the exemption level, and that was the only way some families could even think about enjoying a meal out. Those restaurants no longer have any incentive to keep those prices down. Any price level will be taxed; therefore, it will be increased accordingly when the consumer comes to pay the bill. If the price of the hamburger goes up from \$1 to \$1.07, in most cases it will go up to \$1.10 just to keep it in round numbers. That is a reality of life I am sure the Treasurer knows about.

Mr. Speaker, I am sure you have heard about the new product on the market that is called the Miller frank.

**Mr. Kolyn:** The Miller what?

**Mr. T. P. Reid:** The Miller frank—hot dog. The members are too slow over there. It is now seven per cent baloney in the Miller frank.

The sales tax on American plan accommodation, which includes meals and concerns primarily the tourist industry, has been reduced from seven per cent to five per cent. That means tourists staying in a luxury hotel and enjoying its dining facilities are taxed at only five per cent, while the family that can afford to eat at a fast-food outlet is being taxed at seven per cent. In his apparent attempt to bring some equity into this system, the Treasurer has still not done so. He has made it that much more inequitable in this budget.

To point out yet another interesting aspect of the legality of his move in this area of the retail sales tax, I have noted that if one purchases an item such as a container of yoghurt from a kiosk or take-out counter in a mall, one will pay seven per cent tax on it. If one goes next door to a Mac's Milk and purchases exactly the same item, one will not pay tax on it. Where is the equity in that? It appears the tax is being applied on the type of establishment and not on the product. I question the legality of that under the Retail Sales Tax Act.

Let us look for a moment at the forecast of the Treasurer. We have already talked about the



fact that the Treasurer's forecast of what is going to happen does not compare with any other economic forecast by any reputable agency in Ontario. I would quote again from the Conference Board of Canada and the Bank of Montreal as well. The Bank of Montreal's business review of April 1 said that Ontario's 1982 growth rate will "fall below the national average of minus 2.1 per cent."

The Toronto-Dominion Bank also forecasts the gross provincial product will decline by more than one per cent in real terms over 1982. An official at the Toronto-Dominion Bank stated, "I wouldn't take the government's forecast of provincial growth too seriously."

We recall the Treasurer's forecast of his deficit last year. The reality of the situation was that the deficit went up 124 per cent over the year. We have no faith in the credibility of the figures the Treasurer uses. I will make a small wager that the budget deficit will be closer to \$2.6 billion or \$2.8 billion by the end of the fiscal year.

I want to talk again about the climate of confidence the Treasurer refers to in his budget. There is an entire budget paper devoted to patting the Ontario government on the back for supposedly holding the line on borrowing. It claims the need for discipline in this area was to maintain not only fiscal integrity but also the provincial credit rating, a consideration of the utmost importance when one contemplates the current and future borrowing requirements of Ontario Hydro.

The irony of the entire budget paper being devoted to such self-control in the field of borrowing is that it comes in the same budget in which we see interest on the public debt climb to more than \$2 billion, making it close to 10 per cent of the entire budget. That is far too high for a nonproductive sector of a government budget. It is a budget that does nothing to stimulate the economy or create permanent jobs in Ontario.

Interest payments are also the largest single component increase in this year's budget: 18.2 per cent over the last year. It brings our interest payments to almost \$6 million every single day of the year, the exact figure being \$5.95 million.

The province's funded debt has soared from \$4.2 billion at the beginning of the 1970s to its present level of \$19.4 billion. The government has tried to defend this in recent budgets by illustrating that these funds are used for capital investments in the assets of the province and that therefore their costs should be amortized

over a number of years rather than paid for by the taxpayers of any given year.

While there is some justification for spreading the cost of an asset over its years of useful life, rather than paying for it all in one shot, the down side to this is the enormous amount of debt the province is amassing, along with the interest costs which are becoming a larger part and crunch of the Ontario budget with every year. The obvious implications of that are the shifting of dollars away from the social service programs and more towards interest payments.

**4:30 p.m.**

The other unfortunate consequence of going into debt at such an unprecedented rate is that the day of reckoning will soon be upon the province to pay it back. We have stressed this aspect for the past few years in our budget responses and the government appears to be responding directly to that with a statement contained in this budget paper, from which I quote: "... relative to a growing revenue base, repayment or refinancing of maturing debt can be managed without significant financial strain." We doubt this will be the case.

We have long contended that one of the reasons the government borrowed so much was the availability of a relatively cheap source of funds in the provincial pension funds and the Canada pension plan. It was like catnip to the Treasurer, which he is now going to be taxing.

Interestingly enough, over the past decade, Ontario Treasurers have set the level of expenditures of their respective budgets at an amount equal to revenue, plus whatever amount was available that year from the pension funds. I would say that is slightly more than coincidence.

Research by the Ontario Economic Council has endorsed our view that the Treasurer has no incentive to balance his budget any closer than the level of provincial expenditures plus the amount available for borrowing from the pension funds. If members will recall, in last year's budget was there was a pause in our steps towards a balanced budget. This year it is a full-fledged retreat.

At the end of March this year the province owed \$9.9 billion to the CPP, \$4.75 billion to the teachers' superannuation fund, \$1.3 billion to the Ontario municipal employees' retirement system and \$2.96 billion to the public service superannuation fund for a total of \$18.9 billion. This budget saw the Ontario deficit financed by a further \$1.2 billion from the CPP and \$748 million from the teachers' superannuation fund



bringing the total owed to the pension funds to almost \$21 billion.

In addition to this, the province is responsible for the unfunded liabilities of its pension funds which, according to the latest actuarial valuations, totals some \$1.4 billion.

While we are on the subject of pensions, I would point out that after a royal commission appointed by this government in 1977 and a legislative select committee set up last year to study a report of the recommendations of that royal commission, there was not a word mentioned regarding this government's intentions in the field of much needed pension reform either in the throne speech or in this budget. It is an area that is far too important to the needs of our citizens today for this government to continue to drag its feet.

Let me just take this opportunity to remind this government of why we need to move in this area of pension reform.

First, on the subject of coverage, governments generally have not been able to include all of their residents in legislation. As a result, only about 40.7 per cent of the total work force is covered by employer-sponsored plans. About 98 per cent of the work force outside the home participates in CPP, but for those working in the home, generally women, CPP coverage is not available which is most unfair.

Portability is another major concern in the private sector. Generally there is a provision for portability among public sector plans and a plan has been put into effect by the Canadian Life and Health Insurance Association for life insurance companies. The difficulty in establishing full portability in the private sector arises from the many differences in pension plan designs. Lack of portability is not only a deterrent to the much needed mobility of labour, it is also grossly unfair.

Vesting and portability provisions should be addressed simultaneously. Under current Ontario legislation full vesting is required only after age 45 plus 10 years of service. The Haley commission, our legislative select committee and now apparently even the provincial Treasurer have come out in favour of vesting and locking in after five years of service. With Canada's highly mobile work force this is much more appropriate.

Inflation has added another dimension to the problems of protecting incomes of the elderly. In 1978, 39 per cent of the elderly lived with incomes below the poverty line, but the cost of indexing is high and represents an open-ended

and expensive commitment. Wise investment of pension funds into well diversified portfolios would best protect the purchasing power of the pension benefit while at the same time helping to stimulate the economy.

Better pension reforms are needed for the surviving spouse. In 1976, of all participants in private sector plans, two thirds were in plans that provided no widow's pension. The current pension system also discriminates against females, because they earn less and the Canada pension plan and private pension plans are based on earnings. Whatever decisions are made on future changes to Canada's pension system, our main concern is that any substantial alterations in the retirement income system will create new funds of money. I have already discussed the reaction of Ontario Treasurers to these pools of money.

Such funds available to governments also pose some potential difficulties, because they could drain off money that would otherwise go to finance investment in the private sector. With the enormous borrowing capacities of government bodies like Ontario Hydro, the potential impact on the Ontario economy could be crippling. Let us not forget that time is ticking away. Every day we delay makes it more difficult to evolve a responsible approach to a new retirement income system. How much longer can we afford to postpone a solution to this complex and vital question that was not addressed at all in this budget?

I want to speak now about the tax impact of the various budgetary measures.

Officials in the Treasurer's own ministry have assured Ontario taxpayers that the tax changes in the Treasurer's budget will cost the average taxpayer an estimated \$150 this year. This amount breaks down to \$108 for expanding the retail sales tax base, \$10 for liquor, \$10 for tobacco, \$10 for fees and licences and \$12 for the Ontario health insurance plan, assuming in most cases that the employer is paying the premium.

At first glance, a taxpayer would be only somewhat upset, but the Treasurer's figures do not tell the whole story. To determine how the impact was calculated, one of our researchers asked an official of the Ministry of Treasury and Economics to tell us how they arrived at their figures. To reiterate what he was told, the Treasury official said that the figure was calculated using the statistical breakdown contained in the family expenditures survey put out by Statistics Canada.

With this, we can divide the estimated \$340



million in additional revenue by the nearly 3.1 million households across the province. My researcher asked what year the survey was prepared, and the official replied, "1978." He then asked if the \$108 retail sales tax figure included the purchase of pets. The official replied, "That would not account for much because we have to adjust the figures, you know."

Closer examination of the 1978 family expenditures survey showed there was no such breakdown. So how is it possible to determine what the impact of this budget is going to be? The Treasurer's \$150 estimate obviously falls short of the expected impact, not simply because his estimate does not account for the purchase of a household pet, but because he has not included some major hidden taxes.

Let me explain. First, the shift to an ad valorem gasoline tax last year allows the government to increase the revenue collected as the price at the pump goes up. Using the Ministry of Energy figures, we figure this will cost each person an extra \$24 a year.

Second, although not announced in this budget, the personal income tax rate will automatically increase by two percentage points this year. If we suppose an average taxable family income is \$16,870, which assumes a family with one income earner and two children, on average the total tax paid by this family will increase by nearly \$30 in 1982.

Our own calculation of the effects of the elimination of the exemptions of certain items, including the hospitality tax, more closely approximates an increase for the average family of \$162. Unfortunately, this figure does not include the additional tax that will be collected on the purchase of clothing patterns, textiles and trimmings, such as cloth and fabric, sold either by the metre or yard for domestic use. Do not forget smoke alarms which will now be taxed. These figures assume that the family hates pets.

**4:40 p.m.**

For the family which has to pay its own Ontario health insurance plan premiums, the budget means an additional \$96 per year; liquor and cigarettes, an additional \$20 tax per year, and \$10 for fees and licences. Those are the Treasurer's figures.

The impact of this budget—nearly \$340,000 in additional and unnecessary tax if the employer pays the family OHIP premiums—comes to nearly \$245 per year; somewhat more than the Treasurer's figure.

This, unfortunately, is still not the whole

story. The bulk of retail sales tax collected will not come from Ontario residents, but from municipalities. The elimination of the exemptions to municipalities for buses and repair parts, as well as those materials incorporated into buildings and structures owned by municipalities, schools, colleges, universities and public hospitals will add a significant burden to the costs of operating our cities and educational institutions. Obviously, there is only one person who is going to pay this. That tax burden will be shifted to the ratepayers and we find that unconscionable in these days of high inflation.

By the way, it is interesting to talk about the impact of the taxation. I would like to share with members some of the figures we have. In the income range in which most Ontario citizens find themselves—those people in the \$1,000 to \$20,000 range—less than one per cent avoid paying any tax. It is also interesting that if we look at those people whose income range is over \$100,000, 2.4 per cent avoid tax and if we are talking about those with a \$200,000 income and over, 3.12 per cent avoid tax.

The Treasurer is taxing the poor of this province, those on family benefits, those on social assistance and yet he has done nothing in this budget to ensure that those who are making those kinds of salaries and that kind of income pay for it.

Perhaps some of these taxes would be justifiable, as I say, if the people of Ontario could see that these funds would be productive, that they would create jobs and they could see something beneficial in their future. We do not see that in the budget; in fact, we see exactly the opposite. We see a government which continues to be wasteful and continues to mismanage the funds and the resources it already has.

Over the last decade, in particular, there has been an incredible waste in government spending in almost every policy area. Regardless of changing economic realities, the Conservative government has continued to pursue grandiose, unrealistic and irresponsible spending policies.

Ontario has had enormous budgetary deficits, leaving no room to manoeuvre financially and the government is now imposing drastic cut-backs on essential services. Since the beginning of the 1970s the provincial funded debt has soared from \$4.2 billion to \$19.4 billion. It costs almost \$6 million every day just to pay the interest on this debt.

We have example after example. Time will not permit me to go into detail, but we will during the estimates. Members know about



Minaki Lodge, where we are going to be spending something like \$23.5 million. It is going to provide about 125 part-time jobs. That is job creation at the cost of \$156,670 per job on a temporary basis. What kind of planning is that?

We could talk about the public opinion polls. It is interesting, as members know, that I have been trying to get those out of the government for some time. We spent millions of dollars on a freedom of information act. We are supporting a minister whose job seems to be to sit on the freedom of information act. It is interesting that in the 11 months preceding the 1981 election campaign, this government spent a further \$609,737 of the taxpayers' money on 25 public opinion polls.

We have talked about land banking: over \$500 million in land banking of no use whatsoever. We know about Townsend; we know about South Cayuga; we know about Edwardsburgh; and we know the great financial basis and planning on which the government made those commitments. Treasurer John White, with the imprimatur of the Premier (Mr. Davis), had a small surplus of over \$500,000; he went out and spent it for no good reason, and the taxpayers are now having to pay for past mistakes as well as present ones.

We can talk about the hazards of borrowing money overseas, and the member for Brant-Oxford-Norfolk (Mr. Nixon) brought this to the attention of the government many times: the problem of devaluation. It is going to cost us thousands of dollars when these loans come to be paid back. We lost almost \$10 million when the deutsche mark appreciated over the Canadian dollar. Ontario Hydro's foreign exchange losses in 1979 totalled something like \$70.875 million. We already know they are paying Polysar \$40 million a year, I believe it is, so we do not have to live up to the commitments we made with them. We know about the costs of regional government. We know about costs of the regional education system that was set up by the Premier.

We can talk about the various royal commissions. The one that always sticks in my mind is the \$2.2 million of taxpayers' money wasted on the Royal Commission on Violence in the Communications Industry, a matter that this province and this government have absolutely no control over, a matter that comes under the aegis of the federal government, and yet we continue to spend money.

We still have the expenditure on the Royal Commission on the Northern Environment,

which is a rapidly growing embarrassment to this government, and yet they cannot get out of that. To date they have spent almost \$5 million: one of the most expensive royal commissions if not the most expensive, which everybody has lost faith in and which has no credibility and which will probably be ignored if and when we ever see a final report.

The government is wasting money on its advertising. It is interesting to note that the year before the election their advertising expenditures went from \$12 million in Ontario to \$24 million, a perversion of the public trust if I ever saw one. Yet again, the contradiction of "Preserve it, conserve it," and then the Treasurer takes off the seven per cent sales tax exemption. But most of that \$24 million is simply to aggrandize the government, to use public funds to keep themselves in power.

The Ministry of the Environment has spent \$500,000 telling us that our polluted lakes are clean. The Ministry of Health complains that it is short of funds, but it has an advertising budget of \$1.5 million, and last year it took out enormous newspaper ads to wish Ontario happy hospital day. And \$1 million has already been spent on a massive media campaign to advertise the new tax grant system for senior citizens.

In the year preceding the March 1981 election the Ontario government, as I have already said, had doubled their advertising expenditures — not just bumped them up a little but doubled them from \$12 million to \$24 million. The money being wasted by the Ontario Lottery Corp. in advertising alone was \$8.5 million. This pushes the total for government advertising up to \$20.7 million in 1979-80 and \$30.3 million in 1980-81, most, if not all of this, completely unproductive.

Mr. Speaker, I will now get to those matters that I am sure interest you particularly.

On August 11, 1981, the government announced its intention to purchase a 12-seat Canadian Challenger 600 executive jet aircraft for use by cabinet members and other senior government officials. The cost of the jet is \$10.6 million. Because the budget is already in a deficit position the government will have to borrow to finance the purchase. Using a very conservative interest factor of 15 per cent, the annual interest cost alone will be about \$1.6 million.

**4:50 p.m.**

In the fiscal year 1979-80, the total travel expenditures for transportation, accommodation and meals for all cabinet ministers, deputy ministers and parliamentary assistants, amounted



to \$483,153. This is less than half of one year's interest on this new jet and does not include its maintenance and servicing costs. Moreover, the government's executive jet will be able to fly into only about 18 of Ontario's 137 airports.

The purchase of a jet at this time is utterly unjustified. It is simply a symbol of the crazy, mixed-up priorities of this government.

Another example of the waste in this government is the three policy secretariats. Altogether they will spend \$10 million in this coming fiscal year. Let me say what we are getting for that. Obviously we will not talk about resources policy, because there is not one, and we will not talk about the minister.

We know about social development policy. For years we on this side have tried to get some help for those who need orthotic devices, for those who need artificial arms and legs and so on. We know how powerful that minister is. For \$5 million in that particular secretariat we are exposed about once a week to a song which says, "I am concerned"; and that is it.

We have a justice policy secretariat whose job is to bury and do away with the legislation dealing with public access to information. We will be talking about what constructive things we could do with their share of that \$10 million.

I am glad to see the member for Leeds (Mr. Runciman) is here because I am coming to what I am sure is his favorite topic. The Treasurer referred in his budget to the need for restoring a climate of investment confidence in this province. I agree with him wholeheartedly. The businessmen in Ontario need a sense of renewed confidence. They need to feel that the government of Ontario is prepared to show leadership and direction. It is a sad and sorry failure of this government that they have lost that responsibility of leadership and that sense of direction.

I ask you, Mr. Speaker, what does it say of the economic judgement of this government when it makes so foolhardy and rash a decision as the purchase of a quarter interest in an Alberta oil company? What are businessmen, indeed all citizens of this province, to make of this government's misguided sense of priorities when it indulges in such a speculative venture? The Suncor purchase hangs like a cloud over this whole budget, and it speaks volumes about the lack of direction of this government.

Do we elect governments so that they may use public funds to speculate, like some stockbroker, on the open market? What does this say about the necessary functions of a government? It is interesting to contrast two statements made

by the Treasurer within a span of five months to appreciate properly the impact of the Suncor purchase—which, I remind you, Mr. Speaker, the Treasurer himself was, presumably, against.

On December 7, 1981, the Treasurer stated in the Legislature, "There has been no sacrifice of any government program spending deemed necessary by the cabinet of this province because of the Suncor deal." There is no conceivable justification to believe this comment, today, in light of the Treasurer's comment on page 17 of this budget speech, which I cite once again: "I now serve notice to all recipients of provincial funds that they should not count on future funding at or above inflation rates."

In my mind this says it all. On the one hand, there is to be no sacrifice of any government spending program, yet on the other hand, the Treasurer is serving notice that future funding, even at the rate of inflation, should not be counted on. This is hypocrisy in its highest form and it is due to one thing and one thing alone: Suncor.

Because I know the Treasurer is so delighted with the Suncor purchase, it is essential to highlight a number of points of the deal.

In his press conference on October 13, 1981, the Premier gave three energy-related reasons as to why Ontario made its investment in Suncor. These included: To assist the Canadianization of the petroleum industry, to provide for security of supply and to provide a window on the oil industry.

We know we have a federal government that is already in the oil business and can provide that window on the industry with a long-distance phone call on a wide area telephone service line to Ottawa. As to the question of security of supply, buying 25 per cent of an oil company does not provide security of supply. The fact of the matter is no such security is either enhanced or diminished by the purchase of Suncor. Furthermore, not one extra drop of oil will come to Ontario whether the citizens of Ontario own the company or not because it is the federal government and the federal government alone that controls the distribution and allocation of oil in Canada.

The Premier talked about a window on the oil industry. As Maclean's magazine pointed out, the only thing we are seeing out of our window is the sight of dividends flowing south to the United States. The Premier also states that the 25 per cent purchase of Suncor was a good investment. Let us examine this aspect to point



out the fallaciousness of the Premier's comments.

The government purchased Suncor at a time when it already had a budget deficit estimated at \$1 billion. Consequently, it had to borrow a full \$325 million to finance the down payment. By borrowing, the government has further worsened its debt position to the extent that in 10 years the purchase price plus interest, assuming a 17 per cent cost for the first \$325 million and 14.3 for the second \$325 million, will cost the Ontario taxpayers well over \$2 billion.

The government argued the deal would pay for itself since Suncor would declare dividends on profits and Ontario would collect 25 per cent of those dividends. Suncor never declared a dividend before. By declaring a dividend for the first time, Suncor will not be able to recycle profit dollars back into the company for reinvestment. Furthermore, since Sun Oil Co. still owns 75 per cent of Suncor, 75 per cent of all dividends will now flow south to the United States, thus worsening Canada's foreign exchange imbalance.

We have learned a lot about the Suncor dividend policy and its profitability. First, the Ontario government and Suncor formally ratified the agreement on December 23, 1981, one day after Suncor declared a dividend of \$78 million. Second, it was reported on April 28, 1982, that Suncor's profits for the first quarter of 1982 fell to \$1.1 million from \$27.7 million for the similar period in 1981. In spite of the fact this equates to quarterly earnings of two cents per share, Suncor declared a quarterly dividend of 20 cents per share. In this way, the equity of the company is being stripped to assist Ontario to pay off its purchase.

Another aspect of the Suncor purchase is the fact that the deal only begins to make sense if Suncor is 51 per cent Canadian owned and therefore eligible for the national energy incentives. In January 1982, it was revealed that the final agreement excluded the provision allowing Ontario to acquire a further 26 per cent of Suncor's shares should other investors not be found.

The Premier, the Treasurer, the chairman of the Ontario Energy Corp. had told all Ontarians when the deal was announced that the final agreement would include this option. However, now the government faces a situation of having purchased a 25 per cent equity position in an oil company that may not be eligible for national energy program incentives.

5 p.m.

As to the soundness of the investment, the financial experts confirmed our worst fears. Unless a major Hibernia-sized oil discovery is made by Suncor, the forecasted dividend rate will not match the interest rate at which the government borrowed the \$650 million, thereby creating an additional tax burden for Ontarians. Indeed, the financial advisers said the best Ontario can hope for, barring a major oil find, is to break even by the end of the century. Based on these comments, the Suncor purchase is not only an unwise investment, it is an act of blatant mismanagement of public funds.

Furthermore, we have learned just how wise an investment this is. I do not intend to go through the entire Globe and Mail article. But the conclusion was that Ontario paid probably 50 per cent more than it should have. Of course, we must never forget that it should not be investing in speculative propositions in the first place, particularly outside the borders of Ontario.

We have also learned that an executive vice-president of Petro-Canada, Mr. Joel Bell, believes the government paid too much for the 25 per cent investment in Suncor. We have talked to Mr. Bell and his assertion is that the government's investment reflected Suncor's asset value at best, and not the worth of a 25 per cent silent minority interest.

Does the member for Burlington South (Mr. Kerr) support the purchase of Suncor?

**Mr. Kerr:** No, but that fellow—

**Mr. T. P. Reid:** No? Fine. Let the record show that the member for Burlington South said no. He always had good judgement, which is probably why he is out of the cabinet.

In looking at the actual budget document we can see clearly that the Ontario taxpayer is paying \$62 million through the nose this year for this ill-advised purchase.

Table C3 in the budget document shows the expenditure of \$325 million in interim 1981-82. A direct cash expenditure was made by the Ontario Energy Corp. and its czar Malcolm Rowan for half of the ill-fated Suncor investment. But immediately beside that figure we have an expenditure of \$62 million in the estimated 1982-83 column. Of this, \$47 million is the interest on the 10-year notes. The other \$325 million is half of the investment held by Sun Co. Inc. of Radnor, Pennsylvania.

Already this ill-advised purchase is costing the taxpayer dearly, a purchase that adds not a job nor a drop of oil in this province but helps to increase the provincial deficit. Let me tell



members how this compares with what we might have done. The \$62 million may be just a drop in the bucket when compared to the total expenditure of \$22.8 billion. But let us compare it to other commitments being made by this government in its pursuit of energy self-sufficiency.

As we see it, the best way to achieve energy self-sufficiency is to promote alternative fuels in the transportation sector where 47.8 per cent of our oil is now utilized. The government has made a commitment to invest \$75 million over a five-year period to help promote the introduction of alternative fuels in the forms of electricity, hydrogen, propane, ethanol, methanol and synthetics. But this equates to an investment of only \$15 million per year.

By comparison, the \$47 million in interest being sent to Radnor, Pennsylvania, this year alone is more than three times the amount of money being spent by the province on developing alternative transportation fuels for Ontario. Where are the government's priorities? No doubt this misguided sense of priorities must continue because, in order for the government to help pay for its Suncor investment, it has to promote gasoline consumption and, specifically, gasoline purchases from Sunoco service stations around the province.

Let me tell the members what sort of message this ill-conceived purchase of Suncor sends out to the entrepreneurs and investors of this province. The Suncor fiasco tells them that the government of Ontario has lost its sense of priorities, has lost its sense of judgement, has lost its sense of direction and has lost its senses.

I want to address the subject of consumer and investor confidence. I want to talk about the job creation program and the lack of industrial strategy in this province. In this budget there is nothing but the suggestion that there will be temporary jobs created. There is nothing in the budget for the manufacturing sector. Not one of the Treasurer's job creation measures puts back to work some of the 55,000 manufacturing workers who have lost their jobs in the last year, 19,000 of them in the last month.

There is no stimulus here for the auto sector. There is no help for the steel industry which has laid off thousands of workers in the last four months. There is no direct help for the appliance and furniture manufacturers who are overstocked with inventory and who are unlikely to be able to clear it now that the Treasurer has further cut into consumer purchasing power with all the new tax increases. He asks Ottawa to recognize the importance of the manufacturing

sector. I ask the Treasurer why he does not do the same.

When we talk about strategy, all we hear about is the Board of Industrial Leadership and Development program, the cornerstone of the government's industrial development strategy. We all know, however, that it is really the bilge strategy which is nothing more than recycled programs. It will be recalled that we had something called the employment development fund. Now it is called BILD. There was \$164 million in that fund, presumably to help the manufacturing sector. With all the great advertising expertise, with all the public relations that we saw just before the election, there was an additional \$36 million put into that program as the basis of the industrial strategy of the province.

It will be recalled that on January 27, 1981, after all these years of drifting, the Premier, with all the foofaraw and all the public relations that he could muster, announced the BILD program. Even then everybody knew it was bilge. Even then everybody knew it was simply a recycling of old programs that had been announced over and over again.

The Premier is obviously a fan of the American style of politics. Because my riding abuts on the state of Minnesota I see a lot of the American press. The American system to a great extent is based on smoke and mirrors, on unreality, on press conferences and all the public relations matters that go with it. There is the appearance of action and the reality of doing nothing. The Premier has adopted that style of government here in Ontario. The bilge program is nothing but the appearance of action. It is nothing but a mirage. It is nothing but smoke and mirrors. He had to dig so far into the bag for BILD that he even said building arterial roads around Highways 400 and 401 was part of the grand strategy of industrial development for Ontario.

Members do not have to take my word for it. When the Ontario Economic Council quotes the chairman of Leigh Instruments in Ottawa and says that the financial commitment of \$750 million over five years for BILD is only 9/10th of one per cent of the provincial budget and that this commitment is "not of heroic proportions," it is obvious that even business executives and academics view BILD with some contempt.

**5:10 p.m.**

There is more criticism. In a pre-budget submission to the Treasurer, the Ontario Chamber of Commerce said it was somewhat sceptical—quite an admission and hardly radical, but



reading between the lines that is fairly blunt for that organization—about the need for some of the BILD projects that have been initiated, and no wonder. Does anyone believe that radial road improvements would not have been done by the Ministry of Transportation and Communications had BILD not suddenly and valiantly rescued the program?

Let us not forget the BILD commitment to intermediate capacity transit system in Hamilton which Hamilton city council rejected, programs like tourism redevelopment incentive programs I and II, and yes, these are all extensions of already functional programs in various government ministries. Programs like the convention centre, the biotechnology centre and the Bruce Energy Centre were all planned prior to BILD and have been merely redirected to fall under the BILD logo.

We still do not know about the status of projects such as King Mountain and the shipyards upgrading. We have no idea what the IDEA Corp. is supposed to be doing. Since new ideas require moneys to reach and function, BILD does not provide enough of either. I warn the Treasurer here and now that as a cornerstone of economic policy, the BILD program is beginning to more and more resemble the walls of Jericho than a pillar of strength.

Again we have the Treasurer's glossy public relations gimmick put out to celebrate the first year of BILD. It is a great public relations document but there is little substance in it. I want to show how little commitment there is to an industrial strategy in this province and how little co-ordination there is in cabinet. This is page 3 of the document BILD—"This is What was Done in the First Year".

We can see Frank Miller smiling his "I am going to tax your whoopee cushion" smile and one Larry Grossman sitting there right beside him. Poor old Frank is not smiling as much as he might because Larry was digging him in the stomach and in the ribs to get him out of the picture so that he could be front and centre. That is why the painful expression on the Treasurer's face and that is why Larry is not in that particular ministry any more. We wondered why he went to Health.

You don't have to take my word for that, Mr. Speaker. Let us talk about the IDEA Corp., an idea that we think had a great deal of merit. First of all, we had Ian Macdonald put in charge of it. On this side we have a great deal of respect for Mr. Macdonald, but something as important as this needs full-time people working full time.

The idea of marrying research and development and scientific research in the colleges and universities to a practical application was good.

What happened under BILD? What happened in the infighting in that cabinet between the Treasurer and the Minister of Industry and Tourism? Let me read what happened:

"IDEA Corp. got its start from the former Minister of Industry and Tourism when it was decided the government should take a more active role in promoting industrial innovation. High-technology research centres in several sectors were to be established and a co-ordinating body of outside advisers with an industrial development focus was to identify and marry academic and scientific expertise to commercial applications." Grossman was to be in charge.

"The package which became the cornerstone of the government's BILD program soon became the subject of an intense Turk war and ongoing feud between Grossman and Treasurer Frank Miller, who as BILD chairman believed IDEA Corp. should report to him.

"The solution of Premier William Davis was to split the two apart: Miller got IDEA Corp. and Grossman was left with the technology centres. In other words, the head was severed from the body, said one observer. IDEA Corp. lurched along in Treasury while Grossman moved unilaterally to set up seven tech centres with their own advisory board."

That is the industrial strategy and that is what it is based on in Ontario, two ministers feuding over who is going to get what and who is going to do what. That speaks well of their commitment to an industrial strategy for Ontario.

We know the intention presumably of the Treasurer was to restore investment confidence and we believe it to be a worthy one. It is too bad the budget has destroyed that confidence. At a time when consumers are trying to cope with inflation and high interest rates, the Treasurer only further fuels inflation with his myriad of taxation changes.

He also says that Ontarians are savers, that is, they have a high proportion of savings to disposable income, and that encouraging the savers of this province to spend some of this money will spur investment. What the Treasurer fails to realize, however, is that the majority of people in this province are having a hard enough time as it is meeting inflation, and with the exorbitant sales tax increases he has now imposed they will be reluctant to invest in anything. Furthermore, public investment con-



fidence is very much dependent on government example. What kind of an example has been set by a government that goes out and purchases an oil company for \$650 million in a time of restraint? The Treasurer should give the people of this province a little more credit for their intelligence.

We are reasonably happy with the assistance to small business. Some years ago, after a great deal of work by my colleague the member for Victoria-Haliburton (Mr. Eakins), this party presented a comprehensive policy to assist small business in Ontario. We are glad to see some assistance in this budget, but we repeat that our priority is to help those facing tough times, because of inflation and high interest rates, to survive. We think that is where the emphasis should have been in this budget. The House knows about our program of interest assistance to small business, home owners and farmers.

I have a great deal more on the manufacturing sector and job creation. More than two years ago, the federal Department of Regional and Economic Expansion published a document entitled Economic Prospects for Ontario. That report said quite clearly: "The future of Ontario is up for review. No longer can Ontario's continued growth be taken for granted by any level of government."

The Treasurer and the government of this province have ignored this claim. They continue to sing false praises of a province which is experiencing a severe economic decline. They continue to pass off this decline as temporary or beyond their control when clearly it is their mandate to arrest this trend and to rebuild the economy of the province into a semblance of its former self. Until the government realizes that Ontario's economic problems are structural, Band-Aid solutions such as the 1982 budget will do little to revitalize the economy of this province.

Various statistics accurately reflect Ontario's poor economic health. For example, in the 1960s the province ranked first among all the provinces in every indicator marking economic performance. In the 1970s Ontario dropped to last place in average annual percentage growth, in gross provincial product, in per capita gross provincial product, in per capita income, in per capita disposable income, in the rate of public investment, in residential construction and, very importantly for a province in which manufacturing is predominant, to last place in value-added per capita.

The decline did not stop at the end of the 1970s. Again, in 1982 Ontario is expected to be last among all the provinces in percentage growth and GPP, and leading only Prince Edward Island in percentage growth in retail sales. In fact, the Conference Board of Canada has recently stated that Ontario is in an economic slump that is unmatched in the 21 years it has been compiling provincial economic data.

**5:20 p.m.**

Although Ontario's economic decline has been spread over many sectors it is the manufacturing sector of this province that is leading the downward slide of the economy. A healthy manufacturing sector is crucial to Ontario, yet this government has allowed it to slowly erode. For example, between 1970 and 1979 Ontario placed eighth in Canada in annual average percentage growth of manufacturing investment and eighth between 1970 and 1978 in average annual percentage growth in the value of manufacturing shipments by origin.

In 1980, Ontario was home to over half of all Canada's manufacturing. It accounted for 30 per cent of this province's real output and directly employed 23 per cent of the provincial labour force. By the end of 1981, however, the province's share of total Canadian manufacturing dropped to 49 per cent. Manufacturing output as a proportion of gross provincial product fell to 28 per cent, approximately a \$2.19-billion loss. That may be because some of our friends opposite buy foreign cars. In the last year 55,000 manufacturing jobs have been lost.

In order for Ontario's manufacturing sector to recover, a coherent provincial industrial strategy will be needed. Although the government may claim that such a strategy already exists with the Board of Industrial Leadership and Development program, we have already discussed how it is lacking, what confusion and contradictions there are in the cabinet and how few real resources are being put into it.

I wish now to discuss our program, what we would have done and where our priorities lie. Mr. Speaker, for a number of years you have heard those of us in this party talk about an industrial strategy.

**Mr. Cooke:** Now let's talk about the federal government.

**Mr. T. P. Reid:** Why don't we talk about the Saskatchewan election?

**Mr. Ruston:** Yes.



**An hon. member:** How many Liberals have you got west of Manitoba?

Interjections.

**Mr. T. P. Reid:** West of Rainy River we have quality out there.

In April 1979, the Ontario Liberal Party released a paper entitled *An Industrial Strategy for Ontario*. This document dealt with some of the problems I have just mentioned. It faced the reality of Ontario's declining manufacturing sector and proposed a comprehensive package of incentives and programs that would encourage Ontario's manufacturing sector. Specifically, the Ontario Liberal Party's industrial strategy proposes:

1. A procurement policy requiring the government of Ontario to undertake its purchasing wherever possible and reasonable from Canadian-controlled firms or from foreign-controlled firms that comply with a provincial code of corporate behaviour.

2. Two new arrangements to encourage equity investment by individuals in Canadian business.

3. New incentives for research and development enabling all firms in Ontario to deduct a total of 150 per cent of the value of their research and development related expenses from provincial corporation tax payable, and special assistance for Canadian-controlled small business in the form of a cash rebate equivalent to 15 per cent of their research and development expenditures.

4. An entrepreneurial advisory service and education program for small business.

5. An improved apprenticeship program. We cannot lay too much stress on this. We know from the government's own reports that 50 per cent of apprentices drop out, that the Ontario youth secretariat is creating few jobs and that there will be only approximately 10,000 new jobs in 1982, most of which will be temporary. We have had studies in 1963, 1968, 1972, 1973 and 1976. We had the June 1978 Skills for Jobs conference with Darcy McKeough. Members will remember him. In June 1980, the chairman of the Ontario Manpower Commission said, "We need legislation to require industry to train." It goes on and on.

In December 1972, the Commission on Post-Secondary Education in Ontario said, "The government of Ontario should articulate clear manpower policy." In the March 1981 election, Stuart Smith, then Liberal leader, made eight recommendations. It goes on.

Now is the time for an enlarged and expanded apprenticeship program. We have to increase

guidance for students in the high schools to allow them to know what is available. We have to do the same at the secondary level. We have to ensure we are training our young people for the jobs that are going to be available tomorrow. At this time in the economy, with plants and industries not operating at 100 per cent capacity, we should be training and apprenticing people. While there is some slack in the economy, there will be time to train and use the equipment that is available rather than when everything is running at capacity and there is no time because the production has to be got out.

After all these years we still have no coherent program from this government on skills training and apprenticeship. We still continue to import skilled tradespeople from overseas to fill the jobs that are required in Ontario.

Part of our industrial strategy was the expansion of training and business programs by providing grants or loans to employers to retrain workers whose skills have been made obsolete by new technology, and a special program to assist Canadian-owned auto parts manufacturers by providing loans at subsidized interest rates for capital expansion, research and development. As well, in the auto sector, we believe we have to have 85 per cent made-in-Canada content. We support that.

**Mr. Cooke:** You switched your position.

**Mr. T. P. Reid:** No, we did not switch any position at all. We support that position.

We have to realize there are other economies that are using various tax measures and subsidies to compete in international trade and we obviously must do the same.

A Liberal industrial strategy would also key into those areas which are or can be the source of Ontario's manufacturing strength. We suggest these are, among others, the aerospace industry, telecommunications, computers, systems electronics, industrial machinery—especially that related to resource processing and pollution—the auto parts industry, transportation equipment, the petrochemical industry and biotechnology.

As we stated, we would also include a code of behaviour for foreign-controlled firms to comply with so as to be eligible for government incentives in this province. The Liberal Party's industrial strategy has job creation as its primary objective, something this government has either blatantly ignored or shunned altogether. True, the Treasurer has argued before that the Board of Industrial Leadership and Development creates jobs but, strangely, he cannot tell



us where or how many actual jobs have been created due to the program.

The Minister of Natural Resources (Mr. Pope) stood in the House and proclaimed the virtues of putting laid-off mining and forestry employees back to work in conjunction with the federal government. That is meritorious but the minister failed to mention these projects are temporary in nature and there is little likelihood these workers will ever have permanent jobs to return to.

Just a brief examination of the latest labour force survey is ample evidence of this government's failure to address the employment issue. Can the Treasurer and the government ignore the fact that there are 89,000 more Ontarians unemployed this April than last April, that we now have an unemployment rate of 8.8 per cent compared to 6.8 per cent at the same time last year and that there are 31,000 fewer people employed in this province than last year?

**5:30 p.m.**

Who can take the Treasurer's word when he says, in this budget, that 125,000 more jobs will be created in 1982? He predicted in the 1981 budget that 106,000 jobs would be created. In fact, only 68,000 jobs were created in this province between December 1980 and December 1981, or 35 per cent below the 1981 budget prediction.

We can talk about where those jobs are lost: in the transportation sector, 12,000; in agriculture, 16,000; in manufacturing, 55,000; and in primary industries, 15,000. While failing to address job creation as a means of meeting the current oversupply of workers in the province, the government has also neglected to mention in this budget that even more critical area of employment, manpower requirements.

Recently the Ontario Manpower Commission estimated that by 1986 the province would have a shortfall of 38,000 to 48,000 highly skilled workers and 20,000 to 47,000 workers with lesser skills. At the same time the manpower commission predicted there would be an oversupply of 148,500 to 186,500 white-collar workers by 1986.

Clearly, there is something wrong with government policy when its own advisory commission on labour requirements draws this conclusion from its investigations; yet the budget makes no mention of what new policies the government will undertake to assure that Ontario has an adequate labour supply for the future. All we know is that the Treasurer has served notice to all recipients of government funds that they

should not expect the government to give them financial support at or above the inflation rate.

I ask the Treasurer to tell that to the Ontario Veterinary College in Guelph and to the faculties of engineering in the province, all of which are in jeopardy of losing their ability to turn out quality students who can be professionally accredited because they do have adequate equipment on which to train. Tell it to the dentistry students at the University of Toronto who have to use 25-year-old equipment or to the botany students who have to conduct experiments in washrooms.

Unless this government starts some serious planning for the future, it may be a bleak one in this province. It is a cliché, but the greatest resource we have is our brainpower, and we are not providing the background, the equipment, the guidance or the resources to expand that brainpower. That is where our ideas and our new jobs and our creativity are going to come from.

The Ontario Liberal Party has given high priority to our future manpower needs. In our industrial strategy we have provided for improved apprenticeship programs. We would expand the training in business programs by providing grants or loans to employers to retrain workers whose skills are made obsolete by new technology. Most important, we would not, as this government has done, financially starve our community colleges and universities whose job it is to produce a quality skilled labour force.

I wish to discuss other matters to which we also have to give high priority and attention and which are not addressed or are, at best, lost in the miasma of programs put forward by the present government.

**Mr. Laughren:** Miasma?

**Mr. T. P. Reid:** It is like transmogrify.

I want to talk about new ministries. We believe there are already too many ministers over there, all running for the leadership of the Ontario Tory party and more interested in their leadership campaigns than they are in providing jobs in Ontario.

We believe, and we have said so, that we would do away with the three provincial secretariats, because the Premier has turned them into his own Ontario senate, where he has shipped the incompetent, the tired, the weak and the unknowing.

Obviously, Ontario's future is going to continue to be tied to our ability to compete in world markets, producing a reliable product at a reasonable price. To do this, we must empha-



size research and development. We must emphasize practical scientific research, research into new technologies and a concentration on increasing our productivity. This budget has completely omitted any discussion of these matters.

We said that we must increase our capacity in this regard. At present, we are spending less than one per cent of our gross revenues on research and development in Ontario, while the Japanese, for instance, are spending almost three per cent. Little wonder that they are ahead of us in technologies such as robotics and biotechnology. We should be endeavouring to make Ontario the research centre of Canada, if not of North America.

Second, we must promote scientific research, and we must underline the importance of science to our future. It is interesting to note that the University of Toronto is in a bad position because of underfunding. Their engineering faculty, which is presumably going to turn out those who can design a better computer, those who can design the robotics, those who are going to deal with the technology of tomorrow, is under a cloud because of underfunding by this government. The very things that we should be emphasizing are being downgraded by this administration.

The importance of science and technology is obvious. We see it all around us, particularly in the computer explosion. We must be training people to take advantage of these new technologies. The standing committee on public accounts heard only last week that the government itself suffers from a lack of skilled, knowledgeable people in this area. It is obvious that we do not have enough educated and trained people even to deal with the present situation, nor do we seem to be doing anything to deal with the future demands in this regard.

Productivity is obviously the key to increasing our standard of living in Ontario. Our productivity has been declining lately, and with declining productivity goes a decline in our living standards. Productivity, as we know, is generally measured by the output per person, which is the easiest way to measure it. Obviously, managerial abilities, raw materials and capital are the other matters involved in productivity. Incidentally, it is interesting to note the Japanese feel that when there is a problem in productivity it is a management problem and not that of the workers.

I am therefore proposing that we abolish the three provincial secretariats and that we set up a new ministry that will be called the ministry of

science, technology and productivity. This will show our commitment and emphasis on those matters that are going to prepare us and the people for the future. The mandate of this ministry will be to ensure that science receives the emphasis that it requires, not only in our educational institutions but throughout our economy as well.

The technology aspect will deal with the good idea that the government did have in the Innovation Development for Employment Advancement Corp., but without the attendant problems and the bickering between ministers. It was a farce to have the then Minister of Industry and Tourism, now the Minister of Health (Mr. Grossman) and the Treasurer fighting over who was responsible for what. And when one section, i.e. the technology centres, went to the Minister of Industry and Tourism and the other section went to the Treasurer, it was like severing the head from the body. We want to put the body back together again for the benefit of the people of Ontario.

Third, because productivity is so important to our entire economy and to the future prosperity of Ontario, there should be a minister who is responsible for productivity in our manufacturing and service sectors. There should be incentives set up and well understood guidelines to reward those who do improve the productivity of their operations, either through tax incentives or outright grants—rewards of some kind. These could be monitored by this ministry.

**5:40 p.m.**

As well, it would be the job of this ministry to bring together government, labour and management in a new partnership. We can no longer afford long and costly strikes in our economy. We can no longer afford the tension and hostility between management and labour. It is time for a new era of labour-management relations in Ontario. If our economy is to continue to grow and expand and to provide a better standard of living, we must have better co-operation and government must take the lead in this new era in labour, management and government relations.

I want to speak briefly about agriculture. We have 85,000 farmers in Ontario, another 73,000 people in the food processing industry and another 10,400 people in farm machinery production. These 170,000 jobs in those three closely interdependent areas are gradually being eroded because of this government's inaction. At a time when farmers are looking for some sort of meaningful relief for their financial problems, all they get is whitewash. This budget



merely pays lipservice to the farming community, completely ignoring the real problem that farmers are facing, and that is survival. Farm bankruptcies are up 70 per cent over last year. What does the government suggest? "Go paint your barn."

Again we emphasize that our first priority is to provide interest assistance to farmers so they can survive this economic inflationary aspect. What hope does this budget hold for the farmers of Ontario? This year it is offering to spend \$14 million less on agriculture than it did last year. In fact, agricultural budgetary expenditures will decline to 1.1 per cent of total budgetary expenditures. That is down from 1.36 per cent last year and down from 1.83 per cent in 1971. It does not offer enough in terms of tile drainage loans. We would put something like \$50 million in that program to make it worthwhile and to keep the interest rate at a reasonable price.

We would also like to provide measures for the long term to keep the farmers on the farm. We are losing them at a great rate. We see this as our primary industry in Ontario, and yet our young people cannot afford to go into it. We would set up a long-term interest rate subsidy program to allow the young farmers on to the land. If we erode our agricultural base, as we continue to do, not only will we lose that basis of our society but also in the future the cost of importing food will be astronomical and completely inflationary so that we will not be able to afford it.

As I said, the overriding need is for low-interest loans for consolidated debt purposes. In 1975, the Farm Credit Corp. supplied 72 per cent of long-term farm credit; today it is down to 30 per cent. The Ontario Liberal Party would eliminate the government's ad hoc, Band-Aid programs and introduce a provincial interest subsidy program on operating and long-term debt which would bring interest rates down to an affordable 12 per cent. Such a program would be based on a sliding scale depending on the immediate need of the farmer and a percentage of his assets to his liabilities. Assistance would be based on helping to pay operating expenses rather than expansion.

As I have already indicated, we would also fund the Ontario Veterinary College so that there would be no possibility of its losing its licence to teach. We would also introduce legislation that would prohibit unfair discounting trade practices in the food industry, similar to legislation in the United States under the Robinson-Patman Act.

To replace the \$2.3 billion worth of agriculture and fine food products imported into Ontario each year, to create new jobs and expand markets for farm products, we would create a special food strategy fund to support such projects as well-situated storage facilities, more processing plants, improved market intelligence and increased research in food storage. The government's Board of Industrial Leadership and Development program is supposed to address this problem, but the amount of imported food brought into Ontario clearly demonstrates that very little is being done.

We have other matters as well in that regard, but time is not going to allow me to cover everything as thoroughly as I would have liked.

I wish to speak for a moment about alternative fuels, given their importance to the future of Ontario. Let us talk about some of the alternatives to Suncor. Had the \$650 million been invested in fuel alcohol plants, six 1,000-metric-ton-per-day plants could have been constructed with a capacity to produce 430 million gallons of fuel alcohol per year. By 1990, these plants would have replaced 15 per cent of Ontario's gasoline requirements. In addition, such a project would have created nearly 7,000 direct and continuous jobs as well as more than 1,000 jobs during the construction of these plants. Such a venture would have secured these fuel supplies for the province, would have kept the capital in Ontario, would have created badly needed jobs and would have helped to revitalize our provincial economy.

Back in 1978, our party commissioned and completed a study on fuel alcohol utilizing only wood wastes which are available in the province. This study indicated there was enough wood waste in this province to supply all the transportation requirements for liquid fuels in 1990 at a cost competitive with that of gasoline. With this report we have shown that the potential for the development of alternative liquid fuels is there. However, investment goes begging in this province while we elect to spend \$650 million and ship it to our American neighbours.

As another alternative energy investment, particularly one that would help northern Ontario, I want to briefly discuss the potential of peat as an energy source in this province. In late October 1981, the government released a report entitled *Evaluation of the Potential of Peat in Ontario*. The report highlights the fact that there are approximately 26 million hectares of peat land in Ontario, which has the energy



equivalence of 72 billion barrels of oil. These facts confirm that the money invested in Suncor should have been spent in Ontario and that if it were to be spent on energy-related use, then the energy potential of peat would have been one place to start. As I say, a large part of that would have been spent in northern Ontario.

It is obvious from the examples I have given on alternative energy investment in the areas of fuel alcohol and peat land potential that the money invested in Suncor could have been more wisely invested in Ontario's economy, developing Ontario's resources for all Ontarians.

I have already referred to the auto industry. We want to see 85 per cent Canadian content. We want to see more research and development. We want to see a retraining of the people who have been laid off. We want to see more interest from this government relating to its own study which showed the state of the auto industry in 1978.

**5:50 p.m.**

There are a couple of interesting articles that I read in relation to the auto industry, one in the magazine of the Ontario Board of Trade and a somewhat similar article in Forum magazine. In the one from the Metropolitan Toronto Business Journal there is a brief article by Sherwood L. Fawcett, president and chief executive of the Battelle Memorial Institute, who states in this article that it is not only possible but also practical to build a car that gets 100 miles per gallon.

Mr. Fawcett goes on in this article to suggest that there should be incentives for the auto industry to produce such a fuel-efficient car and to sell it for about US\$6,600, which would make it somewhere around C\$8,000. He suggests we should subsidize whatever auto company produces such a car, a four-passenger automobile, at that price. Subsidizing that car to the tune of \$22,000 for the first 10,000 cars produced would be worthwhile economically. That seems to make sense. Let us be creative. Let us be imaginative. Let us use the tools we have to get the auto industry going again and be the engine of prosperity it has been in Ontario.

I want to mention the tourist industry as well. Tourism is one of the province's largest employers, providing jobs for 542,000 Ontarians or 14.1 per cent of our employed labour force. The participation of the government in this sector is crucial since the industry is made up of some 42,000 firms, most of which are small. It is interesting that people in the business have to deal with as many as 14 provincial ministries.

We want to cut through the bureaucratic red tape. We want to end that system. We want to see funds being made available, perhaps through small business bonds, for the tourism industry so that it can expand and upgrade its facilities.

One of the biggest multiplier effects on the economy is in the tourism sector. The Treasurer stated on page 5 of his budget statement that his job creation program is "to be targeted on those sectors of the economy where there is the highest potential for both direct and indirect job creation in our province." Given the multiplier effect of tourism spending on the provincial economy and the impact of this sector on employment, any stimulation of this industry can have profoundly beneficial effects, and we will continue to press for such measures in this sector.

I want to bring something to the attention of my friend the member for Lake Nipigon (Mr. Stokes) and the other northern members. These figures are somewhat outdated, but in 1978 almost \$1.3 billion was spent in northern Ontario on tourism. Members have heard me say this before, and I will be brief. This government has continued to give away the resources of the province by allowing visitors to Ontario to camp on crown land free, without paying a penny. The pork-and-beaners, as we call them, are invited to the province and then they do not spend any money because we are giving the whole larder away. This has been going on for the 40 years those people have been in business.

I used to work with Canada Customs when I went to university. We used to do surveys and found that almost four out of five people coming across that border were not staying at licensed tourist facilities. They were camping out and taking advantage of our resources of fish and wildlife. If we forced those four out of five people into licensed tourist establishments in northern Ontario, the economy would go up by \$4 billion to \$5 billion in the tourist industry in northern Ontario alone. Think of all the jobs created. Think of the investment. That is our policy, no more free lunches, particularly to our American friends. Let us regulate and use in the wisest way the natural resources we have in this province in the wisest way.

**Mr. Bradley:** Give them a Wintario grant.

**Mr. Nixon:** Make them go to Minaki.

**Hon. Mr. Ashe:** Wind it down.

Interjections.

**Mr. T. P. Reid:** I am getting there. The Progressive Conservative government of this



province found it easy to manage prosperity, but anyone can manage prosperity. Even the Premier himself in a recent speech said it is easy to run Ontario when things are good, but obviously he and the Treasurer have no ideas when things are bad.

We are now in the midst of a recession and we are facing a crisis in Ontario. We are facing a crisis of confidence in this government's ability to manage the province. The Treasurer's piecemeal, short-term approach, first with the retail sales tax, then in the auto industry and now in the housing sector, clearly demonstrates the lack of skilful, long-term planning that will provide the people of the province with a system that allows the market to function as it should.

The Ontario builders' Band-Aid program is a case in point. The Treasurer claims he wants to encourage tenants to move into homes and therefore tries to entice them with an inadequate loan. In the same budget, he slaps the sales tax on to energy conservation materials which not only increases the cost of building homes but also makes it more costly for home owners to be energy-efficient. As the Treasurer's right arm is stretched out offering to give, his left hand is in every pocket taking away.

The budget does not address the problems in the housing industry at all. It does not address the problems of bureaucratic red tape through his own Ministry of Municipal Affairs and Housing and through the municipalities. The cost of holding land is what is driving up a lot of the prices and people are being discouraged from building and buying because of those associated costs.

It should be up to the Minister of Revenue (Mr. Ashe) and the Minister of Municipal Affairs and Housing (Mr. Bennett) to look at the situation in regard to lot levies in the municipalities, because they are loading all the costs of the municipalities on those areas which are driving up the cost of housing. What are the Treasurer and the ministry doing about the fundamental problems? All we get in response are Band-Aid solutions.

We should be encouraging cutting the red tape. We should be cutting through the lot levy program, which is driving up the cost of housing. As we have said time and time again, we should be providing a mortgage interest rate subsidy to keep people in their homes—not the speculators but those who bought homes at nine, 10, and 11 per cent interest rates and who are going to lose them simply because of the high rate of interest.

That is our program: Survival, first of all, and then to attack the root of the problem. This government should be encouraging the design and building of energy-efficient houses, smaller houses on smaller lots that are affordable to the people of Ontario.

I also have some things to say about northern development, fiscal management in Ontario, the problems with the established programs financing of the federal government and so on. I have covered most of the matters I wanted to cover. It is drawing close to six o'clock. I will deal with these other matters during the estimates of the Treasurer.

We will continue to press in this House as vigorously as we can, particularly during question period but during the estimates as well, the unfair inequities of this budget, the fact that it is doing nothing for long-term job creation and that it is hitting the very people who can least afford it.

**The Acting Speaker:** Mr. T. P. Reid moves, seconded by Mr. Nixon, that the motion that this House approves in general the budgetary policy of the government be amended by deleting the words following "that" and adding thereto the following:

"This House deeply regrets the 1982 budget fails to recognize the most serious and fundamental problems facing Ontario today and condemns the government for:

"Ignoring the plight of the many home owners whose mortgages come up for renewal this year, by refusing to introduce specific interest rate relief programs;

"Ignoring the plight of the many small businessmen who are operating at, very near or below the break-even point, by refusing to introduce interest rate relief programs;

"Ignoring the plight of the farmers who face modern-day record numbers of bankruptcies, by refusing to introduce specific interest rate relief programs;

"Ignoring the plight of the unemployed, by refusing to introduce serious long-term job creation programs;

"Punishing the citizens of this province who are at the lower end of the income scale, the poor, the elderly on fixed incomes, by removing a large number of sales tax exemptions and thereby forcing these individuals, more than any other class, to pay a larger portion of their incomes to this government;

"Further punishing low-income earners by increasing OHIP premiums;

"Jeopardizing the operations of the municipi-



palities and school boards of this province, by removing their exemption from various sales taxes and increasing their OHIP group plan costs, thereby placing them in a deficit position or forcing them to cut back on programs;

"Threatening the quality of Ontario's hospitals, universities, colleges and other institutions by warning them that this government will continue to underfund their basic requirements;

"Refusing to recognize Ontario's industrial decline and the need for a definitive industrial strategy as well as massive retraining programs for Ontario workers;

"Refusing to recognize the impact on the provincial deficit of such wasteful and ill-

advised expenditures as the purchase of a one quarter interest in Suncor, the assemblage of land banks and the extravagance of a luxury jet;

"Producing a budget which is unfocused, without direction, lacking long-term vision, regressive in its tax impact and contradictory to what had hitherto been announced government policies;

"Therefore, this government lacks the confidence of this House."

On motion by Mr. Cooke, the debate was adjourned.

The House recessed at 6 p.m.

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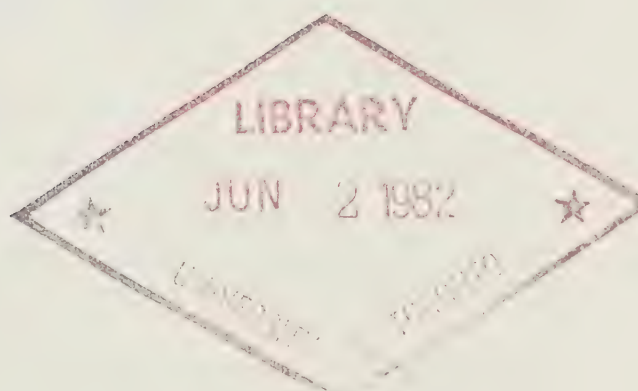
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No. 52

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Tuesday, May 18, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, May 18, 1982

The House resumed at 8 p.m.

## CITY OF TORONTO 1981 ASSESSMENT COMPLAINTS ACT

Hon. Mr. Ashe moved second reading of Bill 60, An Act to provide for the Institution of Complaints for Certain Assessments made in the Year 1981 in the City of Toronto.

**Hon. Mr. Ashe:** Mr. Speaker, you will recall my statement of April 13 when I introduced this bill for first reading. I indicated I had developed a proposal respecting the city of Toronto 1981 residential assessment increases, which I presented to the Toronto city council for its consideration. My proposal was unanimously endorsed by the council on April 1, 1982, and the details of that proposal are embodied in this bill.

The proposed legislation would authorize me to provide the regional registrar of the assessment review court with the names and addresses of those ratepayers in the city of Toronto whose assessments were increased as a result of enlargements, alterations or renovations that added more than \$2,500 market value to their properties, but who did not appeal their assessments within the time limit provided by subsection 39(3) of the Assessment Act.

Those who have been deemed by the bill to have appealed their assessments will be notified in writing by the city of Toronto regional assessment commissioner of their right to be heard before the assessment review court. Naturally, all subsequent avenues of appeal are also available to those ratepayers should they desire to pursue them.

I want to make it known to the honourable members that an assessor will contact each ratepayer involved and explain the reasons for the assessment increase. The assessor will also reinspect the property to verify assessment data currently on file and, where warranted and agreed to by both the assessor and the ratepayer, the assessor will make an adjustment to the assessment based on the additional information provided by the ratepayer and the reinspection of the property. Such an adjustment would be effected by the signing of minutes of settlement, which would be presented to the assessment review court by the assessor, thereby eliminating

the need for the ratepayer to attend the court.

**Mr. McClellan:** There hasn't been any inspection.

**Hon. Mr. Ashe:** That's your view.

**Mr. McClellan:** That happens to be the truth.

**Hon. Mr. Ashe:** As usual the member is grossly inaccurate, but that is nothing new for those people.

If the ratepayer still feels he has been improperly assessed after the reinspection of the property and consideration of the reasons for the assessment increase, he may proceed with his appeal to the assessment review court in the usual manner. Of course, these ratepayers also have the option to withdraw their appeal if they so choose.

The proposed legislation also has provision to include by regulation any property inadvertently omitted from the schedule of properties held to be appealed.

**Mr. Nixon:** How could that happen?

**Hon. Mr. Ashe:** It is highly unlikely but always possible.

This measure will ensure that all ratepayers eligible for the benefits afforded by this bill will have the occasion to have their assessments reviewed by an independent tribunal.

As I said when I first introduced this bill, I believe this measure will provide more than ample opportunity for the affected ratepayers in the city of Toronto to be made aware that their appeals have been registered, to have their assessments reviewed and explained by assessors and to take advantage of the appeal process if they so choose.

**Mr. Epp:** Mr. Speaker, I might indicate from the outset that we obviously will support this bill because it is absolutely necessary, and it is necessary because of the incompetence and the bullheadedness of the Minister of Revenue.

The minister smiles; he thinks it is funny, but it is a serious matter. We would not have this bill before us now if he had listened to the city of Toronto and had consulted the city before sending assessors to the various areas in Toronto to do some assessment. The minister obviously did not do his job. He is getting \$50,000 a year, and for that it is costing the taxpayers of this province hundreds of thousands of dollars, maybe millions.



The province is responsible for assessment, and the bill was introduced because the people of various areas in Toronto, about 6,000 in all, were sent their assessment notices with certain increases in those assessments. There was no place on the assessment notice which indicated that there was an increase from the previous year's assessment—no indication whatsoever. It is as if, like thieves in the dark, they come and take something from the people and do not tell them they have taken it.

The process they went through was that their assessors went through all of the various sales that had taken place in a particular area in Toronto and found a number of sales; in addition, they assessed other properties that did not have sales. Then, if they found that those properties had sold for more than about five or six per cent above what they had cost previously, they sent their assessors out to do windshield inspections. If they found that there was a new paint job on the house or it had new aluminum storm windows or something of that nature, or had other things improved, then they automatically increased those assessments.

**8:10 p.m.**

In some instances—to give the minister due credit—I think they went into the house to check what renovations had taken place. But in hundreds, maybe thousands, of cases they did not go inside so as to be able legitimately, honestly and accurately to determine what improvements had occurred.

They then used some kind of factor—I am told it is 4.2 but I am not sure exactly where they got that factor, and neither do some of the experts—to increase the assessments on average. Some of them were raised, some of them were lowered. Some of the assessments, I am told, were twice and three times as high as they should have been.

If we look at some of the newspaper articles written about this subject, we find that the people of Toronto, particularly those 6,000 residents referred to, were up in arms about the increases. In one article, Vicki Ziegler writes: "Mr. A. F. Thompson, the Toronto assessment commissioner for the Ontario Ministry of Revenue, attempted to outline how property tax increases on renovated homes were calculated. He was repeatedly interrupted by the shouts and questions of angry ward 5 residents who wanted to know why they were being penalized, in effect, for keeping their homes in good shape."

In other words, they were trying to improve their property. These people were not told

exactly what formula was being used to increase the assessment on their renovated properties.

"This seems to be a Robin Hood situation in reverse, robbing from the poor to give to the rich' said Toronto Alderman Ronald Kanter", who happens to be very knowledgeable about the issues of assessment and was very interested in the plight of the property owners in that particular section of Toronto.

The article went on to say, "Another major problem with the approach the Ministry of Revenue has taken in assessing properties is there is no clear distinction between renovation and maintenance."

In other words, if one has a particular electrical system in the house and it is faulty and one improves it, even if it does not necessarily improve the value of one's home—it might, but it might not—one increases the value of the amount of the assessment and therefore one is taxed more heavily on that particular property. If, on the other hand, one puts in another bathroom or something of that nature which logically increases the value of the property, that is also assessed, as it should be.

One home owner said he felt as if he was being punished for replacing old wiring and plumbing, which were hazardous and illegal, because the assessor viewed those changes as renovations rather than maintenance. Apart from the removal of an upstairs sink, this person said there have been no major changes in his house in the eight years he has lived there. However, a similar house on the street, one that had been gutted—according to Mr. Kressman in this case—was only slightly higher in assessment.

So there was not a fair formula used with respect to the increase of assessment. One person gutted his house and competely renovated it and received only a minor increase in assessment. The person who merely changed an upstairs sink received a fairly major increase. We see from those examples that these assessments were not done on a clearly rational and fair basis.

Since the minister questions everybody who criticizes his policy, let me read one article here which quotes someone who is a good friend of the minister and who also wears a lot of blue. He happens to be the chairman of Metropolitan Toronto and the headline says: "Metro Chairman Assails System of Assessment." Despite the fact the minister says it is all very fair, let us see what the Metro chairman says. Metro Chairman Paul Godfrey says the property assessment



system in Metro Toronto for municipal taxation purposes is "a total and absolute mess."

Let us see what the minister has to say about that. He will probably deny that Mr. Godfrey is a Tory or deny the fact that he ever said, "Metro council will be asked in March to seek the Ministry of Revenue's survey on the impact of assessing all property at market values." This was in March and they were trying very hard to get some reaction from the minister to introduce the aspect of assessment appeals for the 6,000 property owners.

In the Toronto Star on April 1, we find that a member of the bar, Mr. Barry Swadron, was hired by the property owners to take this case to the minister and to the court if necessary in order to have some kind of fairness with respect to property assessment in Toronto. Let us find out where exactly some of these places are that were assessed. We find, for instance, that—

**Mr. Nixon:** Pick out one of the numbers from the index.

**Mr. Epp:** Any one of them, there are 6,000 of them.

We find, for instance, that the people in the Beaches, in Cabbagetown and in the Annex were assessed, as well as some in Parkdale. Most of these families in the first three of those areas I mentioned are young families and professional people, but in the last one there is a much more cosmopolitan atmosphere.

In an article in the Globe and Mail on February 13, 1982, we find a headline which says, "Ashe's Catchup Drive Spells Backdated Bill for Toronto Ratepayers." It says: "Up to now Toronto city council has been trying to persuade Revenue Minister, George Ashe, to rescind assessment increases imposed recently on 6,300 residents in the city. The increases mean many ratepayers will find their 1982 property bills doubled, or even triple last year's amount. 'Far from retreating, however, ministry officials are ploughing ahead with the reassessment program in the hopes of catching home owners who so far have escaped detection by the assessors,' Ronald Trbovich, director of the ministry's assessment policy branch, said at an interview yesterday."

Here is something very interesting. Yesterday we read that Housing Minister, Claude Bennett, has a house for sale for \$300,000 to \$400,000, a lower-class home. I understand he is now going to buy a house down the street for \$365,000 or \$465,000. It is a little more expensive than the one he is selling anyway; it is a lower middle-class home.

The article says, "Housing Minister, Claude Bennett, whose home on Poplar Plains Crescent in the area of Avenue and Davenport Roads was one of those which escaped reassessment last year, even though building permits have been issued for renovations three times since 1977, is on the list." He is on the list this year but for four or five years he was able to escape the ravages of new assessment on his renovations. He escaped most of the years while other people were taxed for their increases.

The particular method of reassessment was discriminatory in a number of ways. It was discriminatory because 5,000 to 6,300 homes, somewhere in that area, were pounced on, were raided by the various assessors, if you want to use that word, and their assessments were increased. I doubt if any were decreased. I dare the minister to tell me how many of those assessments were decreased. I presume that most if not all of them were increased, and yet there are 220,000 homes in Toronto. So about 6,000 out of 220,000 all of sudden had their assessments increased.

**8:20 p.m.**

Second, as I indicated, the method of assessment was not very fair or systematic. As we read, some of the renovations involved minor repairs and there were fairly steep increases; others involved major repairs and there were minor increases. We know, for instance, as I indicated earlier, that they did not always go into the house to find out; just as people sometimes do windshield appraisals of homes, these were windshield appraisals of renovations. Then they went down to their offices, wrote something out and the people had to pay the extra taxes.

One of the problems too, as I see it, is that although the minister has somewhat clarified the problem today, I am not sure it is absolutely clear as far as the bill is concerned. His statement indicates that people do not necessarily have to appeal. It says in the bill that they are deemed to have the right of appeal or to have appeal. Does this mean they have the right to appeal and they do not have to appeal? What does that really mean? Maybe we can get clarification of that later. In the instance that they have been deemed to appeal but cannot necessarily get away without appealing it, I have an amendment that I circulated to the minister earlier today that we can then take up in committee. Maybe he can clarify that part later on.

Some time ago I circulated a press release



with respect to a private bill I introduced in this Legislature. It has to do with assessment and appeals of assessment. As you can appreciate, Mr. Speaker, when you appeal an assessment you go to the assessment review court. It may take you several months to get there, and it may tie up several days of hearings just waiting for your appeal to take place. For instance, I was in Kitchener about a year and a half ago when they were trying to hear 150-odd cases of appeals in two days. The lawyers were lined up, the various developers were lined up and individual citizens were lined up, and this particular judge was going to hear all those appeal cases in one day.

If you go to the review court and then you go to the various upper courts—for instance, the divisional courts or the county or district courts—then you might even go to the Ontario Municipal Board, which then overrules a judge on this particular matter. This has tended to upset some of the judges, who find that someone who is not a lawyer or judge is overruling a judge's decision.

As a result of this I have introduced a private member's bill that would expedite the various assessment cases. I do that in light of the fact that about 125,000 cases in 1978 went to the assessment review court, and in September of the same year there was a backlog of 15,000 cases. At the end of October 1981 there was a backlog of 48,000 appeals before the courts, and in 1982 we expect that about 165,000 complaints will come to the review court and maybe by next year, as someone projected, it will be around 175,000 cases.

That is a tremendous number of cases to come before the courts to be heard. To expedite the hearing of these cases, I introduced a bill which would separate the cases of fact and law. If, strictly on the basis of fact, a person wanted to have an appeal, that particular case would go before an assessment review board. If the person wanted to appeal beyond that, he would go to an assessment appeal board which would be an arm of the Ontario Municipal Board. That would be the final appeal; there would only be two steps to that appeal process.

On the other hand, if a person wanted to appeal a case which dealt with the question of law and fact, he would go to a county or district court, then the Supreme Court of Ontario and further appeals would be heard by the divisional court.

I have reason to believe this suggestion has a lot of support among the municipalities since it was based on a lot of their recommendations. I

also know it has a lot of support from lawyers who deal with assessment cases. They feel something has to be done to expedite the hearing of the cases because it is costing clients a lot of money and it is costing the taxpayers of Ontario a lot of money both in waiting and in legal fees.

Sometimes when people pay too much money on assessment they have to wait several months or maybe even up to two or three years before they get that money back retroactively. As the minister knows, at 15 or 16 per cent or whatever one can get on one's money these days, that is worth a lot of money. Over two years they could overpay one-third of the actual amount. This suggestion would expedite the hearing of cases.

I want to draw to the minister's attention one further thing. It has to do with a question asked in the Legislature back in April when the minister was asked how many assessors were being used in the city of Toronto for these assessment cases. He said, "The question does allude to the 1982-83 estimates process which, of course, we are just getting into. There will be ample time to get into that in great detail."

He said further, "Regarding the responsibilities under the Assessment Act we are asked to carry forward, doubtless one of them is to respond to the request made by municipalities under section 86 of the old act, now section 63 of the Assessment Act."

The questioner asked how many people were used in Toronto. That person suggested there might be up to 200 in Toronto to deal with the reassessment, and they were being brought in from other parts of the province.

The minister said: "As usual, the facts in the possession of the honourable member are in error, but there is nothing new about that. We have no additional assessors in Metropolitan Toronto this week." That was on April 15. "There could be one here for a given reason, but there are no significant numbers here. Next week we will have somewhere in the area of 100 in total in Metropolitan Toronto. There is no doubt about that; that is an ongoing situation. We have done that in every sizeable area where a section 86 impact study has been requested by the duly elected representatives of municipal government. That is a fact that eludes the member."

In this case, it was a member of another party.

The other fact is I do not know that the city of Toronto asked for a section 86 increase. He was mixing apples and oranges because they were



doing renovation assessments here and he is referring to section 86.

**8:30 p.m.**

He says, "As to whether the moneys are well spent, I do not agree with his conclusions as to the numbers, because as usual they are grossly overstated." This person was suggesting 200 people would be used in Toronto for the assessment, and the minister says that number is grossly overstated. "If we can give a service requested by duly elected representatives in municipal government, we are responsible for any reasonable amount of moneys that have to be dedicated for the delivery of the services we are asked to provide under the statutes." I do not understand. The city of Toronto has denied that it asked the minister to conduct all these reassessments, yet he implies here that he was asked to do so.

Let me draw the other part of this to your attention, Mr. Speaker. I put on the Order Paper back in April a question with respect to the number of assessors who were in Toronto for this period. On May 11, the minister responded to my question, giving the total number of property assessors in Ontario as of April 30, 1982, by regional assessment office. I might draw his attention to the fact he does not have a regional office number eight. The list reads one, two, three, four, five, six, seven, nine and goes on from there. Obviously, one of the regional assessment offices has been missed or he has deemed it not to exist or something of that nature. I am not quite sure. In his answer, there is no eighth regional office, but there is a total of 1,146 assessors in Ontario as of April 30, 1982.

The second question asked about the total number of property assessors seconded to Metropolitan Toronto. We have the number here. The total is 364. When we asked about 200, that was overstated, but there were 364 as of April 30, 1982. Will you tell me, Mr. Speaker, how 364 is less than 200 when 200 is an overstatement? By my mathematics, I cannot quite figure that one out. That is not all. The total is not even 364. It is more than that. In addition, eight managers have been seconded to Metropolitan Toronto, for a total of 372.

The number of resident Metro staff working in Toronto for maintenance purposes was 19 and for reassessment 69; for North York, 15 for maintenance and 34 for reassessment; for Scarborough and East York, 13 for maintenance and 31 for reassessment; and for Etobicoke and York, 13 for maintenance and 31 for reassessment. That is a total of 60—like this bill, Bill

60—for maintenance and 165 for reassessment. The total Metro staff, then, is 225, which is a considerable number.

Let us look at the expense of bringing these assessors into Toronto for this period. As we know, they brought them in for two weeks, sent them home for one week, brought them back for another two weeks, sent them home for one week, brought them back for two weeks, and so forth, until they got the job done, as I understand it.

**Mr. Elston:** Almost like a paid holiday in Toronto.

**Mr. Epp:** Almost a paid holiday.

The projected cost of the Metro-wide tax impact study is not \$200, not \$2,000, not \$200,000, but \$2,625,000. That is one quarter of the cost of the jet, and it is a far cry from Suncor with \$650 million, but as the minister knows that is only a drop in the bucket. What is \$1 million? What is \$650 million as far as the government is concerned? What is \$10 million for a jet? What is \$2,625,000 for reassessment? It is only the taxpayers' money. I say that sarcastically, obviously.

Travel expenses were \$330,000; meal allowances were projected to be \$320,000; salary bonuses and advances, none; accommodation, \$650,000. I guess they will have to pay that tax.

**The Deputy Speaker:** I guess this is on the bill.

**Hon. Mr. Ashe:** It is not on the bill at all, Mr. Speaker.

**Mr. Epp:** The amount for accommodation is \$650,000 but personal calls to assessors' families were part of miscellaneous; and miscellaneous, which includes the personal calls, was not \$4,000 but \$40,000.

**The Deputy Speaker:** The member is testing my patience.

**Mr. Epp:** This is all part of the cost of this assessment bill. We are talking about seconding people to—

**Hon. Mr. Ashe:** It is not. It has nothing to do with it.

**The Deputy Speaker:** How about your private member's bill as part of this? Does that work in?

**Mr. Epp:** Yes, because it has to do with the process. Some time when you have a minute or two I will let you read it, Mr. Speaker. It is an excellent bill.

The average cost of non-Metro Toronto assessors is \$350 a week. The breakdown is roughly 25 per cent travel, 25 per cent meals and 50 per cent accommodation.



We would not have to have this bill before us today if the minister had been more amenable to the wishes of 6,000 Toronto property owners. These people wanted the opportunity to appeal their reassessments. They did not know their increases had materialized or that the minister had sent these people to do a lot of windshield inspections, but all of a sudden they found they had to pay additional tax.

If the Minister of Revenue had acted quickly, as he is paid to do on behalf of the citizens of not only Toronto but of all Ontario—he has taken a solemn oath to protect these people from being ill-treated and to fulfil his duties as Minister of Revenue—if he had acted quickly and honourably and fairly, these people would have had the opportunity to have their appeals before the courts and we would not require this bill today.

I look forward to hearing from members on both sides of House on this very important bill concerning the 6,000 property owners.

**Mr. Renwick:** Mr. Speaker, as I will not be here on Friday when the names of the pages are read into the record of the House, I want to make a relatively happy digression from the sad debate in which we are engaged tonight.

Some may now have noticed the magnificent front-page picture of one of the pages in the Toronto Star on Saturday. His name is Kenneth Ryan and he happens to come from the great riding of Riverdale. I hope all of the pages will recall the incident of the bells ringing. That particular picture may well be symbolic of the memories which they carry from this place.

I want to speak to this bill in a measured way and I trust not in an inflammatory way, although that will be difficult for me. About five weeks ago today, the minister introduced the bill into the House and it was about five months earlier that the iniquity he and his assessors were perpetrating on people in the city of Toronto proper began to surface in the central part of the city.

The extent and degree of the iniquity is very clear, because even with this stubborn minister it took about four months before he beat the retreat which led to this bill. We understand very clearly that it is but a minor retreat, but it is a defeat for the minister. The very fact that he had to introduce this bill indicated very clearly the inequity which has now surfaced with respect to the assessment of real property, not only in the city of Toronto, but across the whole of the province.

8:40 p.m.

The bill speaks to that. Bill 60 has a couple of titles to it, one long one and one short one. Perhaps I can mention those titles a little later on. The point I want to make immediately is that the bill has three pages. Then attached to it is a schedule of some 34 pages of faceless numbers which indicates that the minister is saying to the people who happen to be represented on the assessment roll by those numbers: "I made a mistake. I served you with a notice of assessment on which there was no indication of any kind that it was an increase over the assessment for the previous year."

That in itself is a very significant admission by the minister. It does not particularly matter to me that he went through certain motions with Toronto city council to get its approbation for this minimal step on his part because it has no authority in this matter. This is a matter that the Minister of Revenue must deal with. It is not even one of those other bills related to taxes where he can simply front as the surrogate for the Treasurer (Mr. F. S. Miller) and bear no responsibility for it. This minister bears the responsibility for the assessment system in Ontario and in the city of Toronto and he has been found immensely wanting.

On December 14 I asked a question in the House of the minister and there has been no answer to that question. There have been a lot of words, but no answer to the question. Interestingly enough, I said at 3:10 p.m. on December 14, 1981:

"Mr. Speaker, my supplementary is not directed towards someone who is trying to evade the assessors coming around or to someone in an extreme situation. I am talking about Frizzell Avenue in the riding of Riverdale where the people are always home. When the assessor does not even come to the house what authority is the minister using to make an arbitrary assessment of those homes without any contact whatsoever by his ministry with the people concerned, or any justification? What is the specific authority under the Assessment Act that permits this kind of arbitrary action on his part?"

I am sure the minister can read his response into the record. It was a very wordy and a very lengthy response. It indicated quite clearly that he was prepared to dig his heels in, until he realized from the pressures that were brought to bear upon him the immense error which he had made in this connection.

I am going to look forward to the contributions to this debate by the members from the



city of Toronto, regardless of party. I am particularly anxious to hear—and I notice that she is not present this evening—the member for St. David (Mrs. Scrivener) who was in her day the Minister of Revenue for the government of Ontario. I will be very anxious, with her experience as minister, to hear what she has to say about the reassessments which have taken place in the city of Toronto covering substantially all of that riding of St. David.

I also look forward to the contribution that will be made later on this evening by the member for St. George (Ms. Fish), who is in her place, on this same question. I notice the further west one goes in the city of Toronto the less immediate and direct concern there is, because I am told this particular hit list of the minister ended somewhere around Bathurst Street.

**Mr. Ruprecht:** That is not true.

**Mr. Renwick:** It probably is not true. In any event, I have a sense the targets of the ministry were concentrated a great deal in the area I represent, namely about one third of ward 7 in the city of Toronto, and, along with my colleague the member for Beaches-Woodbine (Ms. Bryden), substantially all of ward 8. There does appear to be a significant concentration in that area.

The nature of the bill is very clear. It is an admission by the government that it was wrong in the initial instance. It took the government five months to understand that and then it beat a minor retreat. There are very few occasions in the House when I do not try to speak for the constituents I represent, but on this particular occasion I hope to speak as well to those constituents with respect to the trap involved for them if they believe this bill creates some correction to the iniquitous reassessments that have taken place in the city.

I want to make it very clear that among the points the minister made in his statement when he introduced the bill and that he repeated this evening when he opened the debate on second reading, there is not a single word that relates to the assessors making reassessments of each and every one of the homes listed in this schedule, and those he may have overlooked, with a view to reaching what he, in that delicious euphonious term, referred to as “minutes of settlements,” so that the matter will not have to go before the assessment review board.

That in itself is an admission by the minister of a very serious defect in the methods of assessment he and his assessors have used. One does not have to be an expert in assessment to

understand very clearly that the three qualities an assessor must have are broad experience, good judgement and common sense. I challenge the minister to indicate that the reassessments he made in the area of the city of Toronto I represent were made by assessors who had broad experience, good judgement and common sense.

The minister knows, as I know and as every politician in this assembly knows, that there is a potential minefield with respect to the real property tax in the province. I can well understand that some of his more cautious colleagues were pulling him back from the foolhardy course he was intent on following in the belligerent statements he made in this House to justify what is an iniquitous procedure.

I want to say to the minister that I and all the members from the city of Toronto who were affected by this matter received communications, letters and telephone calls about the concern of the people in our ridings. Although I am quite certain my constituents would not mind, I am certainly not going to put their names and addresses on the record. After all, why would I do that when the assessor is still going to come around and call on them? In any event, I want to read into the record a number of cases, seven in all, in the geographic spread of my riding, that I think illustrate the kinds of concerns that are expressed and the fears people have.

I may say I was fascinated by the statement of the Treasurer when he was asked about the spread of his retail sales tax. His response was a very interesting one. He asked, “Who would ever call any tax fair?” I am not interested in that intellectual game but I am interested in another one, that the people in the area I represent and in the city of Toronto know when an assessment procedure and the taxes based upon it are unfair. That is what is happening in this particular case.

Let me deal with the first situation I have. The assessment was \$3,300 and it was raised to \$6,070. The taxes last year were \$550 and this year they are going to be \$1,230 if the mill rate holds.

**8:50 p.m.**

The renovations made in 1975 consisted of the replacement of the plumbing, the wiring and the heating system. That is common in the area I represent because all the houses are structurally quite sound, but over the years those elements of the utilities have to be replaced. It is a home which is comparable to other homes. The



woman who owns the home has been a widow for three years, although she and her husband lived in this home for 14 years. She has an income of about \$10,000 a year. She is now being asked to bear an increase in taxes that is in the neighbourhood of \$700 a year.

Regardless of the system, what is fair about that kind of reassessment? Some day when this particular fury is over and the minister begins to understand the nature of the assessment system in the city of Toronto and the fine tuning that has gone on over the years to make it work, I could take him and show him what he has done by tampering and tinkering with it in this way. That is the first instance.

I will simply read the second instance, as it speaks for itself. This is a letter which went to the treasurer of the city of Toronto with a copy to myself and my colleagues the aldermen for ward 8.

"Dear Sir:

"We are in receipt of the city of Toronto's realty tax bill for the first half of the current year. Our assessment has been increased from \$3,775 in 1980 to \$6,900 for the current year. To say the least, we are shocked, perturbed and depressed that such an indiscriminate assessment has been carried out on our property.

"We protest against this increase in the strongest possible way and we request that an immediate review be carried out on our assessment based on the following facts:

"1. At no time has an assessment officer been inside our property.

"2. We are aware of many properties on our street which are comparable to our house in size and value and yet these houses are paying less than half the taxes we will be paying for the current year.

"3. Our tax bill for the current year will be in excess of \$1,400, which means our tax bill from last year, \$673, has increased by 110 per cent.

"The present rate of inflation is approximately 12 1/2 per cent. How can the government justify such a tremendous increase? We request that a realistic and fair assessment be carried out on our property."

The next instance I want to bring to the minister's attention was a phone call. I am going to use the familiar terms Mr. X and Mr. Y. Mr. X is my constituent and Mr. Y is a representative of the assessment department.

Mr. X asked Mr. Y of the assessment department for the figures of assessment on the houses in his neighbourhood. Mr. Y asked "Why?" Mr. X said he wanted to talk to his neighbours. Mr.

Y said if they appealed their cases, more than likely he, Mr. Y, would revise completely and probably raise the assessments above the figures which were in dispute.

Mr. Y said the assessments would not come through until December 22, 1981, and they would only have until January 12 to appeal. Mr. X thought this was really unfair due to Christmas and the government closing down during most of that period. Mr. X felt that Mr. Y was trying to intimidate him by telling him his assessment probably would rise if he appealed.

The next letter reads:

"Dear Mr. Renwick:

"Enclosed is a copy of a letter written to Mr. Davis regarding assessments in general and our case in particular. We would ask you as our representative in ward 7 to try to find out how assessments are made and to petition the provincial government to do something to rectify the method, if indeed there is a method in existence.

"Along with hundreds of others in neighbouring wards, we think the provincial government should roll back these recent assessments until they can satisfy taxpayers that an equitable system is in operation.

"We would welcome your response to this letter.

"Yours sincerely."

The letter which they wrote to the Premier said:

"Dear Mr. Premier,

"Our house has been reassessed by provincial assessors and as a result our property taxes will be 28 per cent higher this year than they were last year.

"Our objection to this reassessment is based on several factors. In the first place, no assessor has been in our house and no one from the assessor's office has consulted us or contacted us in any way.

"Secondly, our house is probably the smallest on our street without a driveway or garage, with a lot size 21 feet by 56 feet. Yet it is one of the highest assessments on the street.

"There is surely something wrong here. If there is actually a method in operation for the assessment of property taxes, it is obviously lacking in logic and if there is no method, which the results would seem to indicate, then it is grossly unfair and inequitable.

"As taxpayers, we have a right to know how these figures are reached. So far, no one seems willing or able to tell us. We think the provincial government should roll back these reassess-

ments or use an understandable method of doing them.

"We respectfully request an acknowledgment of this letter."

A further illustrative letter—examples of many which I have received and which I am certain others have received—is addressed to the regional registrar of the assessment review court with a copy to me and a copy to the minister.

"Dear Sir:

"I am protesting a 53 per cent raise in my assessment for the following reasons:

"1. It is unfair to have an increase arbitrarily set when no assessment has been made of my house. Other houses in my area have remained at the 1981 rate, even though repairs and renovations have been done.

"2. This is a small, 18 foot wide semi-detached two bedroom, one bathroom house with an unfinished basement in an industrial area.

"3. The amount of taxes at time of purchase was \$480. With an inflation rate of roughly 10 per cent a year, I felt I could handle the combination of mortgage, interest and taxes by buying in this area.

"4. I am a separated, self-supporting woman and find this raise in assessment, without any precedent or warning, a terrible shock.

"Yours truly."

Here is a sixth instance that I draw to the attention of the minister:

"Dear Mr. Renwick:

"As you are aware, many houses in my neighbourhood have been reassessed. No one likes tax increases, but if equity requires a tax increase in my neighbourhood then I will accept it. However, the 1981 reassessment is not acceptable. I find that it was done unfairly and haphazardly

"You would best serve me and all your constituents by demanding that the Minister of Revenue takes immediate action to correct this intolerable situation."

My last illustrative letter is again a letter addressed to me:

"Attached is a copy of a letter which I have sent to Premier Davis on the subject of residential reassessments. I hope that you will be taking an interest in this situation which is affecting many Toronto property owners unfairly."

The letter which my constituent wrote to the Premier was:

"Dear Mr. Premier:

"I wish to object to the recent reassessments of homes in downtown Toronto which have

included my own home at a 45 per cent increase and many of my neighbours' homes.

"These reassessments appear to have been totally arbitrary, inequitable and inconsistent. If we are to have a major reassessment of residential properties, then the reassessments ought to be based on some reasonably equitable system which has been determined by a democratic political process.

"It is my understanding that all recommendations made by Toronto city council in this regard have been completely ignored by the province. Now it seems that people on modest incomes who have kept neighbourhoods livable by repairing and improving old houses will be driven out by higher taxes, while the well-to-do and developers will benefit by taking over these suddenly trendy areas.

"It appears that the provincial government, with the bureaucratic outlook that destroys everything it touches, is now bent on destroying the downtown neighbourhoods that have made Toronto the envy of many other North American cities.

**9 p.m.**

"I suggest that any system of reassessment should have some appearance of justice. Perhaps purchase price of a house and cost of major renovations after purchase, rather than present market value, should form the basis of reassessment. Whatever system is proposed and agreed to by the city should be applied to all city residences before any increased taxes are collected. In the meantime, I would like to see the provincial government roll back the reassessments until a fair and logical system of assessment is agreed upon by the city."

In accordance with that specific direct request of my constituents as reflected in that particular series of letters, and I had many more, and I am quite certain other Toronto members had similar letters of many kinds stating again and again the inequity of the situation, I would move my reasoned amendment.

**The Acting Speaker (Mr. Cousens):** Mr. Renwick moves, seconded by Ms. Bryden, that Bill 60, An Act to provide for the Institution of Complaints for Certain Assessments made in the Year 1981 in the City of Toronto, be not now read a second time but be referred back to the Minister of Revenue with instructions to amend the bill to restore the assessments shown on the assessment roll for the city of Toronto, returned on the 22nd day of December 1981: (a) for each assessment roll number set out in the schedule



to the bill; and (b) under any other assessment roll number not set out in the schedule to the bill where the assessed value of the real property covered by the assessment meets the requirements set out in items (a), (b) and (c) of clause 7 of the bill; to the assessment as it was shown on the assessment roll for the city of Toronto on which the 1981 taxes were assessed by the city of Toronto.

**Mr. Renwick:** Mr. Speaker, as I said earlier in my remarks, the riding I represent covers substantially all of ward 8 in the city of Toronto. The balance of ward 8 is part of the riding of my colleague the member for Beaches-Woodbine (Ms. Bryden). I also have the honour to represent that part of Riverdale represented by about the easterly one third of ward 7.

Let me give some sense of the impact of the figures. I quote from the Ward 8 News of March 25, 1982, which was trying to—

**The Acting Speaker:** I am having trouble hearing the member who is participating, so would members try to reduce the cross-currents.

**Mr. Renwick:** I was not having any trouble listening to their conversation and speaking at the same time, Mr. Speaker.

**The Acting Speaker:** I was.

**Mr. Renwick:** The Ward 8 News, which is a remarkable newspaper—I would recommend it to all of the members of the assembly, and I would be glad to make certain that they receive copies of it—had an article headlined “Residents Lose—1,100 Ward 8 Homes Reassessed!” The newspaper had this to say:

“For several years, the province has been trying to convince the municipalities to use actual market value as the basis for property tax assessments. Most have already done so. In Toronto, however, it was felt such a move would change not only individual property taxes but the entire property tax structure so that commercial and industrial properties will pay less and home owners increasingly more. Toronto council has asked for a phase-in period for the program, and Metro council has asked the province to study the impact such a move would have.

“In 1981, however, 6,048 properties in Toronto were reassessed. Astonishingly, 1,108 of these (almost 20 per cent) were carried out in ward 8.” It goes on to recite what I am quite certain other members have already drawn to their attention.

The point that is continuously made in this article and in another one to which I will refer in a moment is that these reassessments were

haphazardly done, that the increase in value is not in line with the increase in value from renovation and that when the reassessments were done they were done in a sloppy and inconsistent way.

“None of those reassessed are against the idea of market value assessments. They are upset, though, that their properties are the only ones assessed in this way. In ward 8, the average increase in assessed value was 49 per cent.”

The Seven News, the newspaper that is published in ward 7, repeated to an extent some of the information that was in Ward 8 News. It went on to talk about the numbers and again referred to ward 7. It stated:

“Here in ward 7 about 2,400 homes have been hit with higher assessments, some of them going up as much as 500 per cent.” Their interpretation is simply that “the provincial authorities just sent out their assessors to hit a number of renovated houses without apparently consulting anyone.” Suffice it to say that upwards of 1,500 to 2,000 homes have been reassessed by the minister under his hit list in the area that I represent.

Members will notice that in the comments that were made in the Ward 8 News and in the Seven News there was a reference to the concern of the city of Toronto and, indeed, the concern of Metro about what the impact would be if this latter-day device of the Tory government, section 86, were applied in the city of Toronto in an unthinking and arbitrary way.

I do not impute motives to many ministers, but this minister used the device of this hit-and-miss operation in this area of the city of Toronto to bring the city of Toronto to heel, and this is the political element that is involved in it. He was attempting to bring political pressure on the city of Toronto to introduce section 86 and to make the request to him to have section 86 implemented throughout the area.

He was not prepared to listen to the statements that were made by the city council and by the study that was done at the behest of the city council, the final report of the joint committee on property tax reform. That report had some very significant things to say about the way in which this next question of a fair and proper readjustment of the assessment situation in the city should be undertaken. It pointed out, however, a matter that is of immense concern to me, and that is that there is some specious sense that the minister, by giving the statutory right to appeal because the time had run against these assessments by the introduction of this bill, is



conferring some right of value on the residents in the area whose homes have been reassessed.

I say as clearly as I can to this House and to my constituents that without being in any sense an expert on the matters related to assessment law, I think it is very clear that if you go near the assessment review board your chances of having your assessment adjusted in a way favourable to you are negligible. It is very clear that subsection 90(1) of the Assessment Act places the burden of justifying that the taxes are unfair squarely, solely and only on the taxpayer.

**9:10 p.m.**

I want to reiterate in as simple terms as I can that if you go near the assessment review board the assessor does not have to make his case for the change in the assessment; the taxpayer has to make his case as to what is wrong with the change which the assessor has made.

With great respect to my profession, I want to quote that particular clause. I am going to try to leave out the gobbledegook in the section, but subsection 90(1) states this very simply:

"The assessment review court, in determining the value at which any real property shall be assessed in any complaint, shall have reference to the value at which similar real property in the vicinity is assessed, and the amount of any assessment of real property shall not be altered unless the assessment review court is satisfied that the assessment is inequitable with respect to the assessment of similar real property in the vicinity, and in that event the assessment of the real property shall not be altered to any greater extent than is necessary to make the assessment equitable with the assessment of such similar real property."

Here is the latest case I could find reaffirming the principle set out in the Supreme Court of Canada on this next question of the onus which this minister perpetuates against the taxpayer in relation to his assessment. I am sorry to say the latest date I could find was January 15, 1982, when the Divisional Court of the High Court of Justice reaffirmed what the Supreme Court of Canada had said about that section, and said very clearly and distinctly in terms that are unequivocal:

"Under subsection 1 of section 90 the burden of proof is on the taxpayer to establish that the assessment is inequitable with respect to the assessment to similar real property in the vicinity. This principle is applicable to any situation where there is an assessment that is properly made in the sense that it is based on a procedure or method authorized by the Assessment Act."

I may say to anyone who is not a lawyer, and I say to any of the constituents who may happen to read what I have to say about that, it is extremely difficult to walk into any court and prove that one has been improperly assessed when the assessor does not have to open his mouth in that court. The assessor does not have to justify the change.

Someone will say to me, "Where are the factual statistics which indicate that if a residential property owner goes to appeal, he can perhaps get some relief from that tax?" I would refer anyone who is interested to this final report of the Joint Committee on Property Tax Reform on page 9, which sets out table 1. I want to get this as clear as I can.

For the 1975 assessment on which the 1976 taxation was based, the 1976 assessment on which the 1977 taxation was based and the 1977 assessment on which the 1978 taxation was based, the residential property was distinguished from the commercial and industrial property. One can see what happened to the aggregate assessment under the review system.

In 1975, the assessment for 1976 taxation for residential property in the city of Toronto was \$1.114 million. The assessments after appeals were taken on the residential property were \$1,144,000. The assessment which was gained by the city—that is, on appeals by the taxpayers—was \$30.51 million. In other words, there was a percentage of total assessment gained of 1.19 per cent.

When one goes through the 1976 assessment for the 1977 year, one has the same situation; in those particular years they were about the same. But in 1977, on which the 1978 taxation was based, again, for the taxpayers who took their cases to appeal, the net effect was that the residential property assessment in Toronto showed an increase of \$2,719,000. Of course, those in charge of the statistics got wise after that, and for the year 1978, on which the 1979 taxes were based, and for 1979, on which the 1980 taxes were based, they stopped distinguishing the commercial from the residential; so one cannot find that information.

From the same tables, it is interesting to note that in not one year were the commercial and residential aggregates increased, but in each and every one of those years I have illustrated, they were decreased. That shows very clearly that when my friend the member for Durham West (Mr. Ashe) comes to Toronto, an old community with an assessment system and all its inequities which had been attuned over the



years to the needs of that community, and tries to introduce some blanket system, he is disrupting a system and producing immense inequities.

I am sure the city councillors of Toronto tried to tell the minister. The minister refused to listen. The minister does not understand the process that Toronto is anxious carefully and slowly to go through to make the readjustments come about in a fair and proper manner.

Our caucus and the submission we made at the general meeting held on this taxation report indicated our clear support for the position. Indeed, we were anxious in our own quiet way to complement the work that had been done by the city and the city council to try in an orderly, equitable, fair and reasonable way to deal with the vexed question of the readjustment of the total assessment of Toronto, but that is not going to happen now.

The distrust has occurred. They have broken faith with the city. There is no way a person in my riding will welcome an assessor at his door without immense suspicion. The minister will never, so long as he is this minister, restore that trust. I can say to him that people value their homes. People value the protection of their property. People feel and understand that if one tampers with or mucks about with the assessment on a person's home, the net effect to that residential taxpayer will be an increase. The minister has to understand that. As far as I am concerned, he has forfeited any confidence he may wish to have in the area I represent.

I have gone on at some length. I thought for a little while that there was some element of miscalculation or ignorance on the minister's part, or a lack of sensitivity—any of those qualities—until I had the privilege of talking to my colleague who is not here this evening and who is far more knowledgeable on assessment matters than the minister and all the other members of the House with perhaps one exception. I guess that he stands equal to, if not ahead of, everyone in the House; I refer to my colleague the member for Hamilton Mountain (Mr. Charlton).

My colleague, with his experience and knowledge, said to me that the minister was motivated by nothing but a political desire to force the city of Toronto into the mould he wants to make for the whole of the province.

Let us recount a bit of the history. It was the father of the present Minister of Health (Mr. Grossman) who was charged with—I do not think he ever willingly accepted it—the responsibility of carrying out this so-called market

value reassessment. At the end of the 1960s, the Conservative government shied away; we had a five-year freeze and then another five-year freeze. Then this minister or his immediate predecessor, I cannot remember which, introduced section 86. Finally, we heard, "Oh well, there is no problem about assessment adjustment across the province; just use section 86." I do not think that was dropped in by this minister; I think it was by his predecessor.

The hook in that was if they did not request the minister, the minister would punish them. That is what he did in the area I represent. I simply say to him that the inequity of this current system was in putting pressure on the city to accept the section 86 market value equalization.

**9:20 p.m.**

The system in Toronto was frozen for 12 years. Now he comes along in this so-called update of the system that will shift the totally inordinate increase to the properties updated and will provide for exaggerated situations that will make people very uneasy, set neighbour against neighbour, in order that he can get his Machiavellian and indeed malicious straitjacket imposed upon the city of Toronto.

He knows as well as I do that the houses that have not been touched are assessed with respect to a very old manual. He knows as well as I do that the moment he comes in on this hit-and-miss basis, he moves to some version of market value assessment, distorting the basic fundamental equilibrium throughout the area I represent and other areas in the city of Toronto.

I say to him in all humility that the assessment process of this government, the iceberg of which this was perhaps some minor tip in relation to the rest of the province, indicates that the assessment process in these instances was haphazard, inconsistent, unfair, sloppy, uneven and inequitable in its net effect.

The people in the area I represent have simply lost confidence in the minister. I know the last cabinet shift has taken place. There probably will not be one for a while. I suppose this bill will pass and there will be people who think the government has given them their right of appeal.

I say to the minister, as I began, the retreat he has beaten is a minor retreat. He will not admit that what he has done is wrong, unfair, improper and inequitable, and he will pay a price at the polls throughout the city of Toronto with respect to his party because of this problem.

One of these days the minister will move on to



some other portfolio where perhaps he can do less damage. There are such portfolios in the government. He has two courses available to him now, as far as I am concerned: either to adopt the reasoned amendment I have proposed on behalf of our caucus or to resign his portfolio.

**Ms. Fish:** Mr. Speaker, I rise to urge members in the House to support second reading of this bill. I do so not because I believe this bill deals with some of the very deeply rooted problems with the assessment base in the city of Toronto, but rather because the bill provides for the exercise of a right of appeal that had been available to all the property owners whose homes were reassessed in the city of Toronto, had they chosen to exercise it by the expiry date of appeals on January 12 or thereabouts.

We are aware, partly from this evening's debate, partly from consideration of discussions in the media and partly from contact that has come to some of us whose areas have been involved in the reassessment or who know others as colleagues who have been involved, that the notices came without a suggestion on the notice about the increase or the change from the previous year. They came, as often they do when the rolls are returned towards the close of the year, over the Christmas holidays. Many of the people who were receiving the notices had concerns about understanding the fairly specific, but none the less fairly technical, English that is used in the notice.

What is being proposed in this bill is a response to what has already been agreed was a catch-up reassessment. It differs from the annual reassessments that had been done in the 10 years or so that preceded this reassessment by virtue of its size. Individual residential properties have always been reassessed in the city of Toronto as indeed they have across the province.

It is not the case that only new residential construction was added to the roll. Normally, when the reassessment had been done previously, it had been done on a much more limited scale. As time went by, and most particularly in urban centres like Toronto, with the return of people to the downtown and the rate and the pace of changes, particularly renovation, it was clear that the slower-paced reassessment that would pick up the occasionally renovated property was obviously not responding to the changes that had occurred in the city of Toronto and, I suggest, that have occurred and now are occur-

ring in many municipalities within Metropolitan Toronto and across this province.

It is fair to say that in considering the question of whether there should be what I might describe as a greater effort to catch up reassessment on renovated properties, the minister and the Ministry of Revenue dealt at some length with the requests, discussions and opinions of municipalities and their representatives.

On the matter of reassessment or assessment, as on a number of other items of concern and interest to municipalities in this province, the Association of Municipalities of Ontario and its several subcommittees and subgroups make repeated and frequent briefs, representations and deputations to this government, individual ministries and ministers.

One of the areas that has been under discussion for some considerable period of time has been the entire question of property tax reform, the assessment base, part of it being the reassessment question.

It is clear that the matter of a general reassessment effort that would catch up those renovated homes was discussed at one such meeting. It is also clear that a member of the staff of the city of Toronto finance department was in attendance and participated in that meeting. For whatever reason, the fact that one of the results of that discussion, which involved expressions by several municipal representatives that the ministry should step up its program of reassessment, apparently was not conveyed back either to the commissioner of finance in the city of Toronto, to the mayor or to any member of council.

I am not sure whether I should describe that circumstance as a failure to report back; perhaps I should simply say the fact that it did not happen led, among other things, to a situation where the council was not aware of a desire on the part of the ministry to respond to what were clearly requests from the municipal association to deal with reassessments. Those requests did not specifically single out the city of Toronto but looked to a broad, province-wide program of reassessment. What the minister and the ministry engaged in was a broad, province-wide program of reassessment.

The areas of concern that I would speak to and that I think are dealt with in this—

**Mr. Cassidy:** If you bungle it, you pass the buck. That's what you're doing.

**Hon. Mr. Ashe:** You should know. You tried to do it first.



**The Acting Speaker:** Order. The member for St. George has the floor. Order.

**Mr. Cassidy:** Why don't you say you were wrong?

**The Acting Speaker:** Order. You will have an opportunity to speak if you have not spoken already.

**Mr. Cassidy:** She's trying to pass the buck.

**The Acting Speaker:** I am telling you to keep order.

9:30 p.m.

**Mr. Cassidy:** I am. She is saying things that defy reason.

**The Acting Speaker:** Then be quiet.

**Ms. Fish:** Mr. Speaker, I am quite pleased to proceed. Those who care to hear me can do so; if others do not wish to, obviously that is their choice.

I was simply moving to say that the area of impact on the reassessment that particularly concerned me, and that is addressed in this bill, is the impact on the ground in Toronto. It is distinguished from the general experience across this province for a number of reasons.

One of those reasons deals with the historic inequities in the assessment base that have existed in Toronto for better than two generations. The inequities derive from a number of well-intentioned efforts on the part of those who were then responsible for assessment. They were municipal councillors and municipal assessors. They were no more and no less correct in their efforts to provide for a reasonable assessment base in Toronto than anyone else as the responsibilities have shifted through Metropolitan Toronto and then to the province.

With good intentions over time, perhaps because they were not re-examined after a period of time, perhaps because they were not fine-tuned, perhaps because a generation or two later the city had changed, the living patterns of people in the city had changed and neighbourhoods themselves had altered, the council did not step back and examine whether its decisions of a generation past were still appropriate for the property tax base and assessment in the city.

None the less, those inequities that flowed from good intentions were there and are there today. They include things like partially graded exemptions which were given initially to veterans of the Great War who returned to Toronto and were seeking housing. The council of the day quite reasonably sought to provide some assistance to those who were coming back to

enable them to own and maintain their own homes. One of the forms was to provide, as the title suggests, a partially graded exemption on assessment.

Partially graded exemption attached to the structure, not to the occupant. As a consequence, when a generation passed, most of those occupants for whom that partially graded exemption was initially designed had moved away or passed on. But the exemption remained with the home, notwithstanding that the home may have changed hands, the neighbourhood may have changed dramatically and the needs of those occupying the housing may no longer have had any particular correlation to the original purpose in providing the exemption.

Equally, there have been a number of studies that have documented rather graphically and clearly the very serious inequities that were instituted and perpetuated between other classes of residential property. I refer to the very serious bias that was built into the assessment system within Toronto against tenants. I think it is worth noting that when rental accommodation was first developed in Toronto in a significant way the rates of assessment against market value were set at approximately 40 per cent.

In those days, very specific and clear policy was established that set the assessment on ownership accommodation varying between approximately 12 per cent of market value to a high of 25 per cent, which has rarely been seen again.

The assessment system and base was brought in informally, in spite of very clear legislation indicating that all property should be assessed at market value. None the less, it was brought in by the council of the day, presumably in an effort to respond to its citizens' perceptions of the needs and demands with which the city of Toronto was confronted at that time. Fortunately, the question of the ratio that is carried between owners in the city of Toronto and those who are in rental accommodation has, like the partially graded exemption, not been reviewed by the council, not been reconsidered, not been re-examined.

I note that, notwithstanding the report my colleague the member for Riverdale (Mr. Renwick) referred to a few minutes ago, and notwithstanding the very dire shortage of rental accommodation in the city of Toronto and the real concern that has been expressed in many quarters, including the council itself, at the cost of rental accommodation that is currently being provided, one of those costs is, of course,



property tax. Finally, I note that the city of Toronto council was involved in supporting applications a few short years ago by private, nonprofit co-operatives in the city that had previously been assessed at the higher ratio that private rental accommodation was assessed at.

The request and the subsequent adjustment in the schedules provided that co-operatives would be assessed as single-family homes. That provided a real benefit to members of the co-operatives and those living in co-operative housing. I do not argue against that, but I note that, at the same time, the city of Toronto was building nonprofit rental accommodation. Because of the policies respecting rental, the city was quite reasonably being assessed in its nonprofit rental program at the higher rates that the city itself had established some two generations ago on rental accommodation.

It is interesting to note that the city had the matter of its assessment at that higher rate in rental under appeal. It is equally interesting to note that this mayor and this council sat on a report for more than a year. They recommended additional filings and advancement on that appeal that would enable further consideration that would conceivably have moved us closer to a circumstance where, with the active support of the city council in discussions with the province, the city of Toronto nonprofit rental accommodation and the tenants who live therein might reasonably be assessed at the same rates as the nonprofit co-operatives and the tenants who live therein.

It is also interesting to note that no decision has yet been taken on that matter. The city has not spoken on the question of whether it intends to bring in some reasonable equity between the renters and owners across the city. I go over some of that history, not to suggest that this bill is a panacea that will deal with it. It will not. Nor do I go over it to suggest that a simple waving of the wand, a simple bringing-in, for example, of market value assessment across the board, will answer the problems.

Clearly, it will not. It will not, because the extent to which the historical inequities have been stratified, if I can phrase it that way, or have hardened, has created a circumstance where a general bringing-in of market value reassessment or any other such perfectly constant approach in ratio of assessment to market value across the board will very clearly result in some very sharp and very severe dislocations. There will be some who will have their assessments, and consequently their taxes, reduced

and there will be others who will have their assessments, and consequently their taxes, increased.

Within the residential categories, the greatest likelihood is that if a constancy of ratio between assessed value and market value is brought in, the people who are likely to benefit most are those in rental accommodation. That is to say the assessments are most likely to be maintained evenly or reduced. Those in ownership are most likely to have them increased. Those problems are problems for the long term. They did not develop in the city of Toronto over the life of only one or two councils; they developed over the life of more than two generations of councils at the city of Toronto level.

9:40 p.m.

The matter of considering whether changes should be made to the assessment system, the assessment base, has been raised repeatedly and almost annually in the city of Toronto throughout that entire two-generation period. It is only in the very recent years that the city has sat up and taken note of the inequities in its system and of the fact that at this point, notwithstanding the good intentions of the past, the system and the base that are there are in themselves creating problems for many of the residents. They are themselves, in this time of concern about very low vacancy rates in rental accommodation and the high cost of it, creating an additional burden on tenants; they themselves have built inequities into neighbourhoods, where some have been assessed at something like two per cent assessment to market value and others have been assessed higher at five, six, seven or eight. It seems to me I recall seeing a set of statistics about two years ago which suggested that some neighbourhoods were at 12 per cent.

Very clearly, those differences that had been built into the neighbourhoods even within a single class, even for houses that for all intents and purposes appear identical—they are single family, they are not tenanted; they are detached, semis or rows—those differences that occur between neighbourhoods did not happen overnight.

Particularly in this economic climate of inflation rates—the problems with mortgage renewals, which are a burden for home owners as well as for tenants because of refinancing for landlords; the circumstance of the very great shortage of rental accommodation that we know in the city; the downturn in the construction industry on new homes, which we hope will receive a spur by virtue of some recent govern-



ment action, but none the less this has been stagnant for the last year and a half—these times make it even more important for us to consider with very real care the changes that might be made as we come into the future to build the equity into the assessment system in the city of Toronto that the council, for very good reasons of the day, chose not to have.

It seems to me that part of this process will be dealing with the report that was referred to earlier, which the council has recently issued and circulated for discussion. That report is no more a panacea than the other programs that have been suggested. It is not, because among other things it calls for a mechanism to soften the impact of the phased-in market value by having Toronto, and the residents of Toronto, reach out to the residents of the rest of Ontario and ask them to contribute through the provincial tax base to cushion the impact of the changes in assessment within the city of Toronto.

I am not certain about the appropriateness of softening the impact in this way. Clearly, a system and a mechanism must be found to improve the assessment base in the city; equally clearly, attention must be given to the degree of dislocation that will occur when any such system comes forward, because obviously with the kind of entrenchment of inequities that has occurred now in the city of Toronto, the changes will be painful in some areas. I do not think the answer is for the wealthiest city in this province to look to the residents of other municipalities to offset and cushion a change from an assessment system which the council of that wealthiest of all cities in Ontario brought forward in the first instance.

This bill provides for the appeals to carry forward on those 6,000-odd homes in the city of Toronto that were reassessed as part of the province-wide effort to catch up on renovations throughout Ontario. I realize that it singles out the city of Toronto, and some may question why, as has been suggested, the city of Toronto should receive special treatment.

I would simply reply by saying the scale of change in the city of Toronto has been much greater than it has been, in general, in other municipalities, for the very good and sufficient reason that other municipalities across this province did not follow the lead that the city of Toronto created two generations ago, and through which was succeeding, in ensuing actions on its part, in bringing in the kinds of differentials that existed in its assessment system and which were

most likely to be highlighted and, indeed, were highlighted, with the changes that were brought forward under the reassessment program for 1981.

I hope, as we look at this bill, that we will consider it as an opportunity to appeal on the individual properties, an opportunity which is being made specifically available to the people who were reassessed in the city of Toronto because of the numbers, the timing and the concern. It is an appeal procedure that has been available and has been taken advantage of by all of the other home owners in the city of Toronto who have been reassessed over the last decade and earlier for renovations on their homes, and who felt aggrieved with that reassessment.

The reassessment that has occurred this year differs predominantly in scale. Following a course that would provide for appeals to be aired, strikes me as a reasonable mechanism and approach, but it does not and it should not deflect us from dealing in the longer term with the problem of an improvement to, as a correcting of, a malformed assessment based in the city of Toronto, because malformed it is. That work will take us a long time.

The impact study which is under way and which has been already been referred to in this debate will provide some of the information that will be helpful. The dialogue and discussion around the city of Toronto council's white paper dealing with property tax reforms, provide some other opportunity for discussion. The decisions the council will take with respect to its nonprofit housing, by way of example, will be other opportunities not merely for discussion, but to give us all an insight into the direction that the council wishes to take, at this point in the course of its review, on the assessment base.

I hope we will all join together in some reasonably co-operative way to assist in that review because it will not be a short review. It will not be easy to find solutions that are equitable in the city of Toronto and also for a municipality that rests within this great province, with sister municipalities right across its breadth.

**Mr. Ruprecht:** Mr. Speaker, the minister has been called stubborn, insensitive, irresponsible and unreasonable. I will not call him any of these names because I think that in this instance he has taken one small step in the right direction. But he does not go far enough.

The question should be asked, how many of these appeals that the minister is now permitting to take place will be successful? Is it not true, as



the member for Riverdale said, that the onus is on the appellant? That means the suspicion is probably correct that the inspectors who are redirecting their efforts to check out these reassessments will now simply go back into these homes, or go into them for the first time, and try to justify their first assessment.

**9:50 p.m.**

Let me throw some light on the question that was raised earlier by the member for Riverdale. He said the assessments were done on a very spotty basis. I have some very interesting information here, and I will share it with the member. When we look at the areas of Toronto, especially in the west end, we find a very strange occurrence taking place, and I think this is very serious. How is it that in this article written by Alderman Bill Boytchuk, whom I am sure most of the members, including—

**Mr. Kolyn:** I know who he is.

**Mr. Ruprecht:** Yes, you know who he is; most of the people across the aisle are very familiar with him. This man says that in ward 1, which is mainly represented by our friend the member for High Park-Swansea (Mr. Shymko), "Property reassessment passes over ward 1."

If this document is not in itself indicating the very irresponsibility and the very inequity of how this assessment was done, then I do not know what further proof we need. A fellow Conservative simply says: "You have left my area out. Why have you left my area out of the new reassessment?" I want to know why the minister has centred on certain sections of the city of Toronto, including the area of Parkdale, and has left other areas out totally.

Interjections.

**Mr. Ruprecht:** He certainly has. I will tell the minister how he can find out. He can simply ask the city of Toronto. They will produce for him the labels, ward by ward, which will indicate beyond a shadow of a doubt which ones were overassessed and which ones were simply passed by.

This article—and I address this to the minister—really speaks for itself. The answer here is, "Yes, we have been overlooked," and this indicates that these assessments were not done equitably. I simply pass this on as an item of information because it is certainly questionable why certain sections of Toronto were picked out and others were simply overlooked. I will not begin to doubt and question why some of the houses of the people on the other side have been overlooked.

I do not even want to get into that, but I do want to indicate to this House what the city of Toronto's position is and why I think this bill, although it is one small step in the right direction, does not go far enough. I want to indicate what my feelings are and what should have been done in this specific instance.

In its consideration of the property tax reassessment the city of Toronto adopted the following resolution on January 28, 1982:

"Whereas over 9,000 Toronto property owners have been subjected to sharp and unexpected increases in property tax assessment for the 1982 tax year, whereas the increase has resulted from a policy decision of the Ontario Ministry of Revenue which was not debated at Queen's Park, whereas the assessment process was carried out in a manner which resulted in numerous inequities across the city and whereas the city has been working diligently on a comprehensive and equitable method of property tax reform with the knowledge and involvement of provincial staff, therefore be it resolved that city council again request the Minister of Revenue to rescind the assessment increases for the 1982 tax year resulting from renovations."

That is precisely the kind of stand that should have come out of the minister's office but has not. This is the crux, and this would have addressed itself to the injustices that have been committed under this new system. I want to outline where we think some of these injustices have taken place.

Is it true that some residents were subjected to sharp increases? Of course it is. We have proof that some residential properties have increased their tax base over 300 per cent.

If that had taken place with the minister's house, what would he have done in that specific case? Can he afford to live in a property that is suddenly subjected to triple the amount asked last year? Could he in good conscience produce an assessment system that indeed kicks people out?

The question should be asked, why is it that government is wreaking economic chaos—I repeat myself—wreaking economic chaos throughout the province? This is only one way this is being accomplished.

We can look at the Treasurer and his budget. Why is he grabbing after taxes? He is grabbing after taxes left, right and centre. Now, as though it is not necessary to understand why there have been bankruptcies after bankruptcies in this community of ours, we have a Treasurer who says he wants to continue with these increases



and we have a Minister of Revenue who is continually going after those properties and after those people in the city, south of Bloor Street specifically, who can least afford it.

It is clear what has happened because this government, it seems to me, is after the poor to get them into deeper trouble and to throw even more people out of work.

Why should we in this House subject ourselves to a system that is not only inequitable but is really unjust? Why? Is the minister also adding his two cents worth in throwing the economic system of Ontario into total chaos? Why is the minister doing that? Does he have an answer? What has he come up with? He simply says to us, "We are going to give those people the right to appeal because they simply did not understand their tax notices."

Giving them the right to appeal, as I said earlier, may be one step but it is not an equitable and just step. It can never be a just step. Why? Because the system in itself is stacked against the appellant.

I would like to see the figures as to how many of those people will be successful after these appeals have been heard. Only then will I stand here and say: "Congratulations. The minister has been reasonable because those people have not only had the right to appeal, but some of them have been successful in their appeals."

We ask the minister today to let us see those figures later because I for one do not believe this process is right and just. What should have taken place, and what would have been the common-sense position, is very simple. These tax increases on a renovation basis should simply have been withdrawn and that would have been the most common-sense approach to this situation. I think most people would agree.

Why do I say this? When the city of Toronto sends out its tax notices, what does it do? It advertises in the ethnic press. In fact, every tax notice will include in different languages what the tax situation is so people can understand it. That is the reality of it.

We ask the minister today if he has even contemplated the complex nature of this tax base. Has he even contemplated the very complex nature of the fabric of the ethnic communities in the city of Toronto? Has he even contemplated that over 60 per cent of those who inhabit those properties do not speak the language to a point where they can understand everything that is being dished out to them? Has he tried to comprehend that the citizens of Toronto, especially those south of Bloor Street, will not be

able to understand totally what his new policies are?

The minister has not done the right thing, although I give him credit in that he has listened to some pressure and perhaps he has listened to some of his caucus members in giving in with one small, minor concession.

**10 p.m.**

Have these increases been unexpected? They sure have. Suddenly, without announcements, without notices that properties would increase, bang, there is a slap, a knock on the door, and a few weeks later that slap translates into a new tax notice with the real slap on taxes. That is really a pernicious system the minister has introduced.

The minister has slapped the people of Toronto in their faces twice. He has slapped them in their faces. Why? Because he has failed to produce adequate notice, which is a must in a democratic system. He has failed to do that. That is why it is very important that we try to produce some of the changes that are necessary for the people to understand what we are trying to do.

What is very essential is the reasonable thing the minister should have done—to simply sit down with the city of Toronto, not getting into a confrontationist attitude in which he would say: "No, I am not going to listen to you for one minute. You can talk sense to me. You can talk nonsense to me, but do not ask me to sit down with you and work out an equitable solution."

The papers are full of reports that the minister has not tried to sit down and work out some solution with the city of Toronto that would have been equitable. I think he should have done that. Further, he should have had a phase-in program so that people would not be thrown out of their homes.

Has the minister thought of what the impact would be on some people on fixed incomes when he slaps on them 300 and even in some instances 350 per cent increases in taxes? What is the impact of that? If the Speaker cannot afford it with his salary, if I cannot afford it with my salary, what are we going to say to the people who are unemployed, who do not have jobs, who are on fixed incomes, and that certainly includes a lot of people south of Bloor Street? What are we going to say to them when they call our offices and say—

**Mr. Shymko:** What about north of Bloor Street?

**Mr. Ruprecht:** Do not aggravate me. That member's ward has been passed over. I do not



know why it has been passed over, but his friend Bill Boytchuk says it has. He wants to know why.

**Mr. Speaker:** And now back to the bill.

**Mr. Ruprecht:** To make a long story short, what should have been done—it would have been the most reasonable position—was to sit down with the city of Toronto and say, “Not only am I going to produce some information dates that are well advertised, we are going to phase in the increases.” Phasing in increases over a period of five years would have been right and would have been equitable.

What is wrong with phasing in increases? Why go in and punch people in the face, why be aggressive and unreasonable? Why is it? Is it that bad that we have to pay for Suncor in half a year? Is that what we are trying to do? Is the real reason that we finally have to sit down and come to grips with the fact that we have to pay for the Premier’s jet, is that why suddenly we are squeezing the people? We are squeezing the people. That member does not believe we are squeezing the people. He has not been south of Bloor Street.

**Mr. Brandt:** Oh yes I have.

**Mr. Ruprecht:** He certainly has not. He can walk three blocks over here and he will find out how the government is squeezing the people. In fact, they are squeezing to the point where we are paying taxes now on personal hygiene items. We want to keep people and Toronto clean and what is happening? The exact opposite. Anyone who does renovations is now being penalized, penalized by someone who is unfair and unjust and does not understand the system that has evolved over the last 50 years.

Interjections

**Mr. Speaker:** Now back to the bill, please.

**Mr. Ruprecht:** I am back to the bill. I can speak to the bill because the comments I hear across this House come from some very comfortable faces, the faces of people who are taxing our Ontario population to death. That is where those remarks are coming from and I would be ashamed to sit there in the back row and talk like that because those people have no idea how this bill and these tax increases are affecting the citizens of Toronto. They have no idea how these tax increases—

**Mr. Gillies:** I wish we could tax people like the Liberals do. Let’s have some justice. Let’s do it like the Liberals do it.

**Mr. Eakins:** Shop Canadian. Sell that Mazda, Phil.

**Mr. Speaker:** Order. Back to the bill.

**An hon. member:** He was right on it.

**Mr. Speaker:** No, he was not.

**Mr. Ruprecht:** My last point was, what should have taken place here was a phased-in program over a period—

Interjection.

**Mr. Ruprecht:** Did I do that? Did I really do that to him? I do not think I did that. I simply asked why his friend Mr. Boytchuk asked why it was passed over—

**Mr. Speaker:** This is not oral questions.

**Mr. Ruprecht:** It was part and parcel of the bill.

**Mr. Speaker:** Let us concentrate on the bill, please.

**Mr. Ruprecht:** If he wants to answer, if he wants to make a comment on that, I would be very happy to find out why the minister has overlooked his area. I would like to find out.

**Mr. Shymko:** He is quite happy.

**Mr. Ruprecht:** He is happy because his whole area was overlooked and the member is representing that area. Our area has not been overlooked. In fact, the whole theme, the whole tone of these increases has been one of punishment. What comes out of there is: “Punish the citizens of Toronto, especially the poor. Punish them more. Increase the taxes. Increase the properties.”

**Mr. Gillies:** He is getting carried away again.

**Mr. Ruprecht:** No, I am not getting carried away, but when I hear comments coming out of very comfortable faces, and out of areas where there is no understanding of what really takes place with working people, women and men in this city, I get very aggravated.

What should have taken place is a phasing-in program over a period of five years. I think that is where I stopped. Is that not correct? We would have done that. We would have given people a chance. The member for Durham West (Mr. Ashe) will understand that I really mean this. We would have phased in these sometimes triple and quadruple increases. People would have been able to have a chance to maintain their homes. I am sure I am speaking from a position of authority. I will tell the members why. I had a meeting with over 400 people about the tax assessment on renovations. Four hundred people came to the meeting.



The assessment commissioner for this region was present and his name is Thompson. The minister knows him well. He was there. The minister can ask him. He can find out the facts. He can testify to the truth of what I am saying here.

**Hon. Mr. Ashe:** Not likely.

**Mr. Ruprecht:** The minister can ask him tomorrow. In fact, he can ask him today. He is sitting right there, if that is the case. He can answer. We had 400 people there. We had the mayor there. We had some lawyers from the city and the minister should have heard the people.

**An hon. member:** Was Yuri there?

**Mr. Ruprecht:** No, he was not there. He should have heard the people. They were upset.

To be quite straightforward, what would have been wrong with phasing in these increases? Why did the minister do that? Can he give me a reason? Why bang people like that and throw them out of their houses? That is the impact. He wants to bring in market value assessments by the back door. Do an impact study on what is happening to these people who have received these increases. A lot of them cannot afford it.

We can go over case after case. I do not want to take another hour or two or talk into the next day because I want to try to wrap up soon, but it is true that there is case after case of people in terrible conditions because they have been taxed and overtaxed.

I do not mind saying that when we put it all together we can see there is some kind of theme running through here of "Let's tax the people." I cannot figure out why the government wants to tax them so badly. What is going on over there to create such great chaos and confusion in our whole system here? I still cannot figure it out. Maybe I will be able to do that a year from now in retrospect and see what is really going on.

**10:10 p.m.**

To continue: Has this new policy been discussed at Queen's Park? It has not been discussed. There was a unilateral decision. The city of Toronto was simply pushed into the situation without discussion. I think that is not the case. I am not imputing different motives to the minister, but the real reason he could have given in might have been that these property tax hikes are not really legal. I would like to address myself in the next few minutes to the question of whether these increases are really legal. These are my facts, Mr. Speaker.

First, subsection 63(1) of the Assessment Act requires the assessor to alter the assessment "to

the extent necessary to make the assessment equitable" compared to other properties in the vicinity. When we look at the concentrations of where these assessments took place, can we really say these assessments have been done equitably? I think the case is made very clearly and very graphically that the assessments have not been done on an equitable basis. That is what the act says must be done. Consequently, the minister's action was clearly discriminatory.

Second, subsection 63(2) of the act requires reassessment with a value of an improvement of at least \$2,500. We know that Mayor Eggleton's office is aware of cases where the minister imposed higher assessments and the improvement was less than \$2,500. That is a second point where the illegality might be proven.

Third, in law it is forbidden to do indirectly what is prohibited from being done directly. Subsection 63(3) of the act permits the minister to institute market value assessment at the request of the municipal council. Toronto city council has not requested market value assessment. The minister's campaign is aimed at forcing the city to opt for market value assessment now. His staff based the new assessment on market value. The minister is trying to do indirectly what he cannot do directly. That again opens up the whole question of the legality of these procedures.

Fourth, the actual assessments were done sloppily. I quote my friend the member for Waterloo North, who indicated earlier how sloppily these assessments have been done. He talked about windshield assessments. Is it not right, when we ask the minister what windshield assessments are, that he might tell us that some of them have taken place when the inspector in his car drove through the neighbourhood, looked left, right, backwards and up, and decided that somehow the houses were simply renovated when there was not even a building permit in these houses? That is how some of the assessments were done.

I talked earlier about a knock on the door and a slap on the face. There was, in many instances, no such knock on the door but only a slap in the face. What has happened here, as the minister will agree, is that some of these assessments have been done in a very slipshod, sloppy way. I have never used this word in this Legislature, but it seems to me pretty asinine to carry out assessments on that kind of basis. If the member checks the word "asinine" he will find that it simply means "not right," so I am okay to use that word here.



But you yourself would admit, Mr. Speaker, that when a person has a car, drives through a neighbourhood, looks out the window and makes an assessment on that basis, this kind of assessment certainly can never be correct. Now what is happening? We are simply asking people to go back in and redo the inspection. I will make the prophecy that for very strange reasons we will find that the windshield assessments will be exactly the assessments that will be done on reinspection.

**Mr. Mancini:** Curbside assessment.

**Mr. Ruprecht:** You and I both know what that means, Mr. Speaker, and we had better keep that a secret.

Interjections.

**Mr. Ruprecht:** Mr. Speaker, let me caution you that that was not an obscene gesture; it was simply our mutual understanding of trying to get push-button telephones in this place. I am not sure whether you saw it, because otherwise you might have asked the honourable member to stand up and apologize. But only he and I know what we are talking about.

**Mr. Speaker:** I was watching you.

**Mr. Ruprecht:** I was talking about my colleague the member for Waterloo North telling us about windshield assessments, and that is what I was saying.

It is clearly possible that a court would find that the minister and his staff have failed to carry out properly their responsibilities under the act. In this case the court could void the assessments. These are some of the legal arguments, and I think that if we asked lawyers who are very knowledgeable in this field they might even indicate to the minister that the new assessments really have been illegal.

The next point would be simply to try to determine whether these assessments had been done justly and fairly or whether they were done on an inequitable basis across the city. I think I have mentioned that already; I do not need to address myself to that. Basically, I want to indicate here that we know it has been done on a very uneven basis and that I know, to be reasonable with the minister, that he will agree it has been done unevenly, because the facts speak for themselves.

We understand that 372 inspectors have been coming in from outside the Toronto area to do the assessments here. This in itself would indicate to me that these assessments have been done very unevenly and that whole sections of the city have been left out for whatever reason.

We do not know; the reason might be known only to the minister himself.

I will not even address myself to the cost of this, because my colleague has already done so, but it is quite considerable. In fact, the statement perhaps could be made that the cost of bringing in 372 assessors from outside might equal the cost of increased assessments. I do not know that at this point; but I do know one thing for sure, and that is that the increased cost of bringing in 372 people to do assessments and consequently fall behind in their own areas back home must be very high.

I produced a letter previously indicating that every person who comes in from outside Toronto, every person who helps in the reassessments, gets at a minimum a relocation allowance of \$1,000. That is only the relocation allowance and, according to my calculation, that would put the minimum of the relocation allowance alone, without paying anybody wages, at more than \$250,000. Is it worth that \$250,000 plus? It might be more; it might be as much as \$374,000, because there are additional costs that have not even been added here but that could be made on a reasonable basis. We might even argue that the total cost to do these reassessments could be more than \$300,000 and even \$400,000. I think members would agree with me that this cost sounds pretty prohibitive to us today.

10:20

The other question raised by the city of Toronto was, "Is it not true that the city had been working diligently on a comprehensive and equitable method of property tax reform with the knowledge and involvement of the provincial staff?"

Is it true that the province knew the city of Toronto had been working on a new system of market value assessments? I say that is true; I happen to know that at first hand. That committee was established in 1979; the city had been working on it previously, but it was a formal committee established by city council in 1979. The question remained, why did the minister push the city which had been trying in good faith to work out—

**Hon. Mr. Ashe:** Dawdling along.

**Mr. Ruprecht:** The minister has just answered the question. That really speaks for itself. He just said, "Dawdling along." Does he want to make people suffer, to punish the citizens of this great city, because, in his view, they have been "dawdling along"?

Surely that cannot be the reason the minister



has produced such mean-spirited taxation of our people. I give him credit that he is at least honest; so it seems to me his major justification for increasing these taxes is that they have been "dawdling along."

The members and I know that from 1979 until now, the city has produced resolutions and recommendations. They were in the midst of the process, in 1982, of coming to some type of agreement. But then comes an arrow shot out of the dark without any warning.

**Hon. Mr. Ashe:** That's poetic.

**Mr. Ruprecht:** That is right. It is poetic justice that the minister shall reap the reward of this kind of action. It will be more than poetic justice when he finds out what a shot in the dark is all about, when he hears the people out there screaming.

I have met not only with 400 residents in the Parkdale area but also with the presidents of some of the associations who came to this very building because they were upset. They also indicated to me that while they had requested a meeting with the minister, he would not meet with them.

They came to our office and spoke out in very loud and clear terms. Some of our members on this side of the House were present when that took place. It took place in this very institution.

At this meeting we had people speak for the Swansea Area Ratepayers' Association, because they were concerned along with the rest of Toronto. We had people here from SARA, an organization concerned about taxes. The ward 2 ratepayers' association came and spoke, as did TRAP, Tax Reform Action for the People, which is an organization that was established because people felt the minister had trapped them into an increase of taxation.

**Hon. Mr. Ashe:** Did you say "T" or "C"?

**Mr. Ruprecht:** TRAP; the minister knows them and they know him. They have retained a lawyer to fight these unjust and inequitable increases. TRAP came and spoke to us. They wanted to speak to the minister. The minister knows that.

The Winchester Park Residents' Association came from across the city to address themselves to this point. The High Park Home Owners' Association came even though, as I told the minister earlier, they were not affected that much. So did the Parkdale Business Association and a lot of other associations because they were very upset with what they termed a very inequitable system. They came and they spoke.

The problem is that the city of Toronto had introduced recommendations to the city council and those recommendations were not deemed to be fair by this minister. That is why he has introduced a different system to tax people even more.

I want to raise one final point. I know the minister will not like this, but I will bring it up anyway. We want to know today in this very chamber, at this very hour, whether the minister will in good faith rescind his specific order to his inspectors to increase and produce what are called "supplementary notices." That is the epitome of perniciousness.

Does this House realize what supplementary notices are? I will tell members what they are. If an assessor decides that more than \$2,500 worth of improvements have been done to a house since it was last assessed, the ministry will issue a supplementary assessment notice to raise the assessment used to calculate this year's taxes. If the tax bill has already been sent out, the city is compelled by provincial law to issue a new 1982 tax bill for the increase the inspector indicates. That is what I call pernicious.

Not only are the people going to be taxed, but also we find at a later time that all those inspectors are coming in from all over the province, from as far away as Thunder Bay and Rainy River. When they come down here, what will they find? They will try to justify the very system that this minister has instituted, and that system is unfair and unjust.

We know the justification used to bring all these people down here. The minister would not want to pay them because they are on holiday. I want to say what the truth is. The truth is that this minister wants to justify what he has so perniciously done in the city of Toronto. He wants to justify what he has produced here that cannot be justified, and he is using the mechanism and the apparatus of this great province and of all those people who have given their faith, the bureaucrats, to this government. He is using all those people to justify a political decision that is unfair and not right.

Here we have a situation where we can use our bureaucratic machinery to justify a political decision. I think that is not the way it ought to be in this Legislature and, above all, that is not the way it ought to be, I say to the minister, in 1982 in a democratic, freely elected system.

We want to know whether the minister intends to rescind the order to supply supplementary notices. Will he do it? I am looking into his eyes at this point. Will he do it? Will he say to this

House that he will rescind that order to produce supplementary notices to increase taxes even more to the citizens of this city? Will he rescind the order to produce supplementary notices? What is his answer?

Let me assure members that simply to ask "What is the answer?" does not produce the correct answer to this question.

If I can finish, I think what has been instituted here is really the production of a wonderful, intricate smokescreen by this resolution, which we will have to support because it is one minor step in the right direction. But—I want to be absolutely clear—it is a smokescreen to shut up

a lot of people who want to speak out against the injustices committed here.

Mr. Speaker, let me finally indicate to you, personally, that it is the tone set by the way in which this whole new system was brought into effect that I would want to tell you, that I would want to put in quotes and write across the wall so that every resident in this great city understands what has been done: It is, "Let's punish the people of Toronto." And we do not agree with that.

On motion by Ms. Bryden, the debate was adjourned.

The House adjourned at 10:30 p.m.



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- Cassidy, M. (Ottawa Centre NDP)
- Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
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No. 53

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**  
Thursday, May 20, 1982  
Afternoon Sitting

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 20, 1982

The House met at 2 p.m.

Prayers.

## ESTIMATES

**Hon. Mr. McCague:** Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by his own hand.

**Mr. Speaker:** John B. Aird, the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1983, and recommends them to the Legislative Assembly, Toronto, May 20, 1982.

## CORRECTION OF MEDIA REPORTS

**Mr. Barlow:** Mr. Speaker, on a point of privilege: Regarding a misquotation in the media this past Monday, May 17, I have already received an apology from the author and I now want to clear up the misunderstanding with you so it can be clearly understood.

Last Monday both CFTJ radio in Cambridge and the Cambridge Daily Reporter carried stories that in a Sunday interview I had said, "The Liberals will have egg on their faces with the public because of the measures which will eventually come to a vote and be passed by the majority government."

I have received confirmation from the reporter that there was a period dropped out of the typed story and that the latter part of the sentence, that is to say, "the measures will eventually come to a vote and be passed by the majority government," were not my words but were in fact the words of the editorial.

## STATEMENTS BY THE MINISTRY

### LAKE SUPERIOR BOARD OF EDUCATION

**Hon. Miss Stephenson:** Mr. Speaker, the Lake Superior Board of Education's recent decision to close the Schreiber campus of Lake Superior High School in June 1982, has become an issue of major concern to local residents, the school board and the government. The Deputy Minister of Education and other senior ministry officials conferred with board representatives on the matter on April 15 and with concerned citizens in Thunder Bay on May 11.

In making this statement I wish to emphasize that the Ministry of Education acknowledges fully the right and the responsibility of school boards to determine the number and types of schools within their jurisdictions. The Education Act provides that school boards have the authority to make such decisions, based upon their understanding of the needs and interests of the students and the community. Local school trustees are elected by and thus are accountable to their constituents. It is for them to decide how educational resources should be allocated within their communities.

However, I must say I am concerned about the timing of the Lake Superior board's decision, which was made in April 1982 to take effect at the end of June 1982. On February 4, 1982, the Lake Superior board presented a brief to the Ministries of Education, Revenue and Northern Affairs, identifying problem areas and presenting possible solutions. These ministries are currently in the process of studying the issues outlined in the brief.

In the past, the Ministry of Education has strongly supported the Lake Superior Board of Education through special programs involving correspondence education, computer technology and other special activities. We have assisted that board, and in that spirit of assistance and co-operation I have offered to meet the full board. This offer remains open.

Moreover, in light of the controversial nature of the issue and in view of the concerns which have been expressed to me, it now seems to me to be appropriate to appoint a commissioner to inquire into all aspects of this matter. In the next few days, therefore, I shall name an individual as commissioner under section 9 of the Education Act.

The commissioner's inquiry may proceed well into the 1982-83 school year. Therefore, the Ministry of Education will ensure that the necessary funds are made available for the coming school year, to maintain the current program at the Schreiber campus.

**Mr. Stokes:** On a point of order, Mr. Speaker: The text of the statement just given to the House by the honourable minister does not follow verbatim what we were given in advance. Could



we have a copy of the actual statement she made?

**Hon. Miss Stephenson:** Mr. Speaker, there is no change in intent in the statement at all, which I am sure the honourable member will recognize. If I tend to use my own language in making statements, and as long as I do not deviate from the context of the statement, surely it is not necessary for me to provide an accurate, word-by-word statement in advance. It will be in Hansard and I would recommend that the member read Hansard.

### CORRECTION OF MEDIA REPORTS

**Ms. Copps:** Mr. Speaker, in the absence of the Treasurer (Mr. F. S. Miller) I would like to ask you to consider a very serious matter arising from a point of privilege raised by him last Tuesday. In his statement the minister said: "It has been widely reported by the electronic and print media that I said feminine hygiene products are not essential. Today I have reviewed my interview tape with members of the press gallery and now I know for a fact that I did not say, nor did I imply, this."

2:10 p.m.

Mr. Speaker, I would like to submit to you a notarized copy of a transcript from the media interview. I quote: "The Treasurer: 'In general, I think it is safe to say that consumer items draw tax unless they are considered to be absolutely essential items.' Question, Paul Palango: 'You say that women's tampons aren't being taxed. Well, that is something that is being taxed.' The Treasurer: 'All right, sure. That's being taxed, sure, so is men's shaving cream. I guess I can grow a beard. But the question is, is it a more necessary product than any others that I am taxing already?'"

I believe it is clear from the context of this transcript that indeed the Treasurer did imply that sanitary napkins are no more necessary than any other item the minister is already taxing.

Interjections.

**Ms. Copps:** I would ask you, Mr. Speaker, on this very serious point of privilege, to rule that—

**Hon. Mr. Ashe:** Just ridiculous. Sick.

**Ms. Copps:** I am sure it is sick to you. It is not sick to a lot of women in this province, believe me.

I would ask you, Mr. Speaker, in all seriousness, to rule that, upon the minister's return to this House, he correct the record so that the names and reputations of journalists in the press

gallery are not impugned and so that the House can be assured that the Treasurer cannot make such inaccurate statements in the future.

**Mr. Speaker:** First of all, I would have to rule very clearly, that was not a point of privilege, with all respect.

Second, it is not the duty of the Speaker to make any ruling on a matter of opinion. I have no way of knowing who was right, who was wrong, what was said or what was not said. That is up to you, a matter between you and the minister, to be settled by asking the minister questions.

**Mr. Mancini:** He said it in the House.

**Mr. Speaker:** Order. No, it is not, with all respect.

**Ms. Copps:** Could I please speak?

**Mr. Speaker:** No, you cannot. The whole thing is out of order.

### FRENCH-LANGUAGE SERVICES

**Hon. Mr. Wells:** Mr. Speaker, today it is my pleasure, as the minister responsible for French-language services, to table the annual report for 1981 of the government co-ordinator of French-language services and also a report on the state of French-language services in the government of Ontario, which was sponsored by the office of the government co-ordinator.

I believe honourable members and others who read the annual report of the co-ordinator will be impressed by the breadth of services that ministries and agencies are now able to provide in French to the francophone population of this province. While only a few ministries were able to say that they had a genuine bilingual capacity in their regional offices in designated areas three or four years ago, almost all government offices in such designated areas now are able to deal with the public in either English or French.

Last December, for example, Radio Canada did a telephone survey of Ontario government offices in designated areas. Their callers posed as francophone visitors to the province seeking information about specific activities of each of the ministries they called. They found that overall, 80 per cent of the offices they called were able to satisfy their sometimes complicated requests in French, including 90 per cent of the offices they called in eastern and north-eastern Ontario.

While there are obviously still gaps to be filled and an improvement in quality to be achieved, I have been impressed at the progress that has been made.



Last year, as a result of a recommendation from the Council on Franco-Ontarian Affairs, a study was undertaken on the state of French-language services in the province and the organizational arrangements for the government for implementing its French-language services policy. I also take pleasure today in tabling this report.

While the report was sponsored by the government co-ordinator of French-language services and special research staff was engaged to carry out much of it last year, the review was done with the assistance of many people from outside government. The steering committee, for example, included the Council for Franco-Ontarian Affairs and the Office of the Commissioner of Official Languages of Canada as well as representatives of the office of the co-ordinator.

Overall, the report notes a significant improvement in recent years in the extent and quality of French-language services. It makes a large number of recommendations, many directed at internal organization in the government to improve the universality and quality of the services.

I can assure the members that this report is being taken very seriously within the government. In general, I can confirm the basic position of the government that we attach high importance to the heritage and linguistic vitality of the Franco-Ontarians.

We are committed to provide French-language services wherever there are concentrations of francophones and we are giving a priority in 1982 to try to ensure that the quality of these services in French matches the quality and availability of English-language services in the designated areas.

I can assure the members that, as recommended in this report, the fund for French-language services which was inaugurated a year ago is being continued in 1982-83. In its first year of operation, it was responsible for getting off the ground a number of new projects of direct assistance to the francophone community.

The report places high priority on the value of French-language service co-ordinators in the various ministries and on bilingual information personnel. I am pleased to note that, with the recent hiring of a full-time French-language services co-ordinator in the Ministry of Transportation and Communications, 10 ministries now have full-time co-ordinators and an almost similar number also have full-time bilingual information staff.

These are just some examples of the steps that are being taken within this government to meet the spirit of the review. During the coming months, I hope to be able to announce other steps to demonstrate in specific terms the government's continuing commitment to the improvement of its French-language services.

#### ENUMERATION OF FRENCH-SPEAKING VOTERS

**Hon. Mr. Wells:** Mr. Speaker, I would like to make a second statement.

I am pleased to inform the House that the government is taking the following action in regard to the enumeration of voters in some areas of the province.

Two questions will be added to the enumeration form for the assessment to be carried out by the Ministry of Revenue around the beginning of September. These questions will permit the identification of French-language voters in the 39 school board districts of the province where there now are French-language advisory committees.

This step is being announced now so that changes to the enumeration form can be made in time for lists to be prepared well in advance of the elections for French-language advisory committees which will, of course, take place immediately following the November municipal and school board elections. The lists will enable those responsible for issues relating to French-language schools to contact eligible voters and will, we hope, establish a much more direct connection between those who will be affected by the work of the French-language advisory committees and the committees themselves.

The questions which will be added to the forms in the areas where French-language advisory committees exist are the following:

1. Are you French speaking?
2. If so, do you wish your name to appear on the list of electors for the French-language advisory committee to your board of education?

Obviously, these questions will also be on the form in French. In the two areas of the province where there are English-language advisory committees, the questions will relate to English-speaking voters in order to identify voters for the English-language advisory committees.

#### CORRECTION OF MINISTER'S NAME

**Mr. Bradley:** Mr. Speaker, I would like to bring to your attention a point of privilege that deals with a government minister and a news release under the Ministry of Government Ser-



vices. It is dated May 17, 1982, and it was released in Kanata. If one looks at the last paragraph, there is a reference to the "Honourable James Sterling, QC, Provincial Secretary for Justice."

I understand that my good friend the minister without a freedom of information bill has not been exactly a high-profile minister in the last few months, so I can understand how one could forget his name, dealing only with freedom of information. But I do feel that in his interest, because he is a member of this House, the Minister of Government Services should ensure that there is a correction made in the next release to refer to him as the Honourable Norman Sterling instead of the Honourable James Sterling.

**Mr. Speaker:** That was hardly a point of privilege but a matter of clarification.

2:20 p.m.

#### CORRECTION OF STANDING ORDERS

**Mr. Kerrio:** Mr. Speaker, on a point of privilege: I would like to draw your attention, and that of all members of the assembly, to an unfortunate oversight in the standing orders of Ontario, an oversight that should be corrected without delay.

In 1850, the first standing rules and regulations of the Legislative Assembly of Canada were implemented, and the first standing orders for the Legislative Assembly of Ontario were put in place in 1868.

Dating from those early initiatives to this day, May 20, 1982, the standing orders fail to acknowledge the existence of women in this province and specifically in this assembly.

Throughout the standing orders there are at least 60 references, which I have tabled here, which refer only to the masculine gender; for example: "he shall proceed," "his decision," "his court," "his speech," "his opinion," "his direction," "his discretion," "his parliamentary assistant," etc.

In spite of numerous reprints of the standing orders, all these references have remained unchanged. Even the fact that the first woman was elected to this Legislature almost 40 years ago and a number of women have been elected since that time has had no effect.

Do you not agree with me, Mr. Speaker, that these standing orders should long ago have been amended to recognize the women of this province in the rules and regulations that govern the activities of our Legislature? And do you not

agree with me that the standing orders should be appropriately amended and without delay?

**Mr. Speaker:** Whether I agree with you or not, that is hardly a point of privilege.

**Mr. Kerrio:** The privilege is that women have been abused.

**Hon. Miss Stephenson:** "Man" is a generic word.

**Mr. Speaker:** Order. It is interesting inasmuch as it is a matter that I have raised myself from time to time. I am told it refers to the universal "he," whatever that may be.

However, I would point out to the honourable members that the Speaker does not have any control or jurisdiction or authority in changing standing orders; that is the responsibility of the members of this assembly.

#### TREASURER'S ATTENDANCE IN LEGISLATURE

**Mr. T. P. Reid:** Mr. Speaker, I rise on a point of privilege before the orders of the day.

I note that the Treasurer (Mr. F. S. Miller) is absent this afternoon and that he will be absent from the chamber next week on a trip to Japan. We are dealing with the Treasurer's budget, probably the worst in Ontario's history, and yet the Treasurer is not here today to be accountable to this Legislature and to the people of the province, and he is going to be away next week.

We can understand, the budget being as bad as it is and in view of the problems he has got himself into, that he would not want to be present, responsible and accountable. But at its most democratic form, the Treasurer should be in his place to answer questions from the opposition and to be accountable for that disastrous document.

**Mr. Speaker:** Thank you very much.

**Hon. Mr. Gregory:** Where is the member's leader and House leader?

**Mr. Speaker:** Order. It is not a point of privilege, with all respect.

**Mr. T. P. Reid:** It's fundamental to the democratic process.

**Mr. Speaker:** Order.

**Mr. Martel:** On a point of privilege, Mr. Speaker—

**Mr. Speaker:** Another one?

**Mr. Martel:** Yes.

**Mr. Speaker:** May I just deal with this last one first?

**Mr. Martel:** It is on the same topic, Mr. Speaker.

**Mr. Speaker:** It cannot be the same topic if it is a different point of privilege, with all respect.

**Mr. Martel:** I did not say it was a different point of privilege.

**Mr. Speaker:** Yes, you did. I asked you.

**Mr. Martel:** I said it was a point of privilege.

**Mr. Speaker:** No. With all respect, that was not a point of privilege.

**Mr. Mancini:** I have a point of privilege, Mr. Speaker—

**Mr. Speaker:** Just a minute. It is not the responsibility of the Speaker, and again I underline this, to ensure the attendance of ministers in this House or indeed of any other member. If you have questions to direct to the government, you must direct them to the appropriate person, who may or may not have responsibility for attendance.

**Mr. Martel:** Might I ask Mr. Speaker a question then?

**Mr. Speaker:** No. There is nothing in the standing orders that allows you to ask me a question.

**Mr. Martel:** Then maybe you can give me your guidance.

**Mr. Speaker:** You are out of order.

**Mr. Martel:** I am asking for your guidance.

**Mr. Speaker:** No. We will have to confer privately. There is nothing provided for you and I to carry on a conversation.

**Mr. Martel:** Do you realize what is going on, Mr. Speaker? Several days ago the Treasurer brought in a budget—

**Mr. Speaker:** Order, please. The member for Sudbury East is out of order. We will talk about it in the office.

**Mr. Martel:** Well, then it will be too late to get a response.

**Mr. Speaker:** There is always tomorrow, with all respect.

**Mr. Martel:** When the Treasurer isn't even here. What the hell kind of response is this?

**Mr. Speaker:** Order.

**Hon. Mr. Ashe:** Throw him out.

**Mr. Mackenzie:** Tory jackasses over there.

**Mr. Martel:** What kind of conclusion is this anyway?

**Mr. Speaker:** Order.

**Mr. Mancini:** On a point of privilege, Mr. Speaker: You will recall that on Thursday last, the people of Essex South and the people of Ontario were zapped with tremendous increases imposed by this government. It is now apparent that the Treasurer is not going to be here today or next week. As the member for Essex South, representing the people of Essex South, I will not have the privilege of questioning the Treasurer on those taxes—

**Mr. Speaker:** Order.

**Hon. Mr. Ashe:** They never give you a chance anyway.

**Mr. Mancini:** That is exactly what is implied.

**Mr. Speaker:** Will the member for Essex South please resume his seat.

Interjections.

**Mr. Speaker:** Order. Perhaps, with all respect, the member for Essex South did not hear what I had said to his colleague, the member for Rainy River (Mr. T. P. Reid). It is not, and I emphasize not, within the jurisdiction or authority of the Speaker to ensure the attendance in this House of any honourable member.

**Mr. Martel:** I will refer to the rules, Mr. Speaker, if I might. Standing order 18(a) says: "Privileges are the rights enjoyed by the House collectively and by the members of the House individually conferred by the Legislative Assembly Act and other statutes, or by practice, precedent, usage and custom."

It has been a custom, Mr. Speaker, in this House that when the Treasurer brings in a budget, he would at least have the courtesy—

**Mr. Ruston:** Darcy McKeough was always here.

**Mr. Martel:** I can think back to people like McKeough and MacNaughton, right down the line, who in fact were in here to hear budget responses. What in God's name is the sense of having critics preparing responses to the budget, when the Treasurer, the man responsible for that, is not even here. It is just a sham.

**Mr. Speaker:** The member for Sudbury East, I want to say to you that—

**Mr. Ruston:** That's right. Bring back Darcy. We want Darcy.

**Mr. T. P. Reid:** Majority arrogance.

**Hon. Mr. Eaton:** He was here Monday and Tuesday.

**Mr. Speaker:** Order.

**Mr. Wrye:** Are you going to answer the question?



**Mr. Speaker:** There is nothing out of order. It is not my responsibility to assure attendance in this House. I would point out with all respect to the honourable member, standing order 28(a), and I would ask him to take it under consideration and to please use the proper procedures.

**Mr. Jones:** On a point of personal privilege, Mr. Speaker: In the point of privilege from the member for Rainy River, there was an inference that somehow or other the Treasurer was not—

**Mr. Speaker:** Order. With all respect, I ruled that he did not have a point of privilege and, in fact, was out of order.

**Ms. Copps:** On a point of privilege, Mr. Speaker: I think if the Speaker takes the time to look at the standing order 28(a) he will see that it has to do with oral questions and has nothing to do with points of privilege.

**Mr. Martel:** Might I ask, on that point, because I have just finished reading it—

**Mr. Speaker:** You are right.

**Mr. Martel:** I want to know who I should direct it to, in view of the fact no question has been asked. We are asking the Speaker for guidance with respect to the presence of the Treasurer. Who shall I raise the question with?

**Mr. Speaker:** I would suggest that perhaps—

**Mr. Martel:** You are the one who told me to go by the rules.

**Mr. Speaker:** There is nothing in the standing orders to allow the member for Sudbury East or any other member to question the Speaker or to debate with the Speaker. Now, I would suggest, with all respect, that you direct your questions to the proper person on this—

**Hon. Mr. Ashe:** Ask your question to your leader if you can figure out who it is.

**Mr. R. F. Johnston:** No responsibility for the House.

**Mr. Speaker:** Well that is not—

**Mr. Martel:** They're not here. They're not here for the next two weeks.

**Mr. Speaker:** Perhaps you did not hear. That is not my responsibility.

**Mr. Mancini:** The Treasurer is boycotting the House.

**Mr. R. F. Johnston:** You let the bells ring. What are you talking about?

**Hon. Miss Stephenson:** I wouldn't talk if I were you.

**Mr. Epp:** It is a silly game by the Treasurer, to

leave here for two weeks while the budget is being debated.

**Mr. Speaker:** Order. Oral questions.

**2:30 p.m.**

**Mr. T. P. Reid:** Mr. Speaker, before I put my questions I will have to ask for your guidance under standing order 27(h), which says, "Parliamentary assistants may answer for their ministers only when authorized by the Premier."

Obviously I have some questions of the Treasurer, who, I regret, is displaying usual government arrogance by not being here. Whom do I ask over there, since the Premier (Mr. Davis) is also not present to redirect the questions, perhaps to the parliamentary assistant?

**Hon. Mr. Wells:** Mr. Speaker, there has been a lot of talk and the Hansard record obviously will show from the discussion which has gone on that the Treasurer is not here today. I think it should also show that the Leader of the Opposition (Mr. Peterson) and the deputy leader of the third party are not here today, either.

Interjections.

**Mr. Speaker:** Order. Will the honourable members resume their seats, please, just so I may deal—

Interjections.

**Mr. Speaker:** Order. I am recognizing the member for Rainy River.

**Mr. Martel:** Wait a minute, Mr. Speaker—

**Mr. Speaker:** Order. The member for Sudbury East will please resume his seat again.

**Mr. Martel:** Mr. Speaker, on a point of privilege—

**Mr. Speaker:** I am dealing with one and I think we should dispose of it first.

First of all, I recognize your problem. Secondly, I hate to point this out but there is nothing in the standing orders to allow questions to be directed to the Speaker. However, having said that, I think standing order 27—

Interjections.

**Mr. Speaker:** Order.

Standing order 27(h) is very clear, "Parliamentary assistants may answer for their ministers only when authorized by the Premier." There is no way, obviously, that I can delegate that authority. There is no way that I can assure the attendance of members in this House, so really it is not a point of privilege.

Interjections.

**Mr. Speaker:** Order. I would suggest—again it is not my role but I am trying to be helpful—you

seek some guidance from the government House leader.

**Mr. T. P. Reid:** Then could I hear from the government House leader? Does he want to change the standing orders because of the absence of the Treasurer and the Premier—

**Mr. Speaker:** Order.

**Hon. Mr. Wells:** Mr. Speaker, the policy of the government has not been to delegate parliamentary assistants to answer questions during the question period. The Premier will be here in a very few minutes and will be happy to answer any question that members have.

The bill is in the name of the Minister of Revenue (Mr. Ashe) and I am sure he will be happy to answer questions concerning the bill. He is going to be carrying the debate on the bill and I am sure he would be happy to answer questions on it.

**Mr. Speaker:** The member for Sudbury East with something.

**Mr. Martel:** With something or other.

**Mr. Speaker:** I would rather have other—a point of order or a point of privilege.

**Mr. Martel:** A point of privilege, Mr. Speaker: My friend the House leader indicated that the deputy leader was not here, nor was the Leader of the Opposition. But those people responsible for dealing with the budget are here prepared to deal with the budget. The fellow over there who brings in the budget, is not here this week or next week. Can you tell me what we are supposed to do?

**Mr. Speaker:** Order. No. I am not going to tell you what do because quite obviously the observation was out of order to begin with.

I would point out to the honourable members that I called oral questions at 2:30. Four minutes have elapsed and there has not been one question.

**Mr. Bradley:** Mr. Speaker, I have a point of privilege arising from the former point. The Speaker will understand that when the Premier was ill, all members of this Legislature understood the situation and did not make any adverse comment about that. I would like to point out to the Minister of Agriculture and Food (Mr. Timbrell), the chief government whip (Mr. Gregory), and latterly the House leader, that the reason for the absence of the Leader of the Opposition today is because of illness.

**Mr. T. P. Reid:** Mr. Speaker, in view of the Premier's imminent appearance, I wonder if I

could ask one question and then come back to my second one?

**Mr. Speaker:** Yes, that will be acceptable.

**Hon. Mr. Wells:** Mr. Speaker, before I move another motion, I might just say on a point of order that I did not know the Leader of the Opposition was sick. If I had known he was sick today, I would not have mentioned his name.

## ORAL QUESTIONS

### COLLECTION OF RETAIL SALES TAX

**Mr. T. P. Reid:** Mr. Speaker, I have a question of the Minister of Revenue since he is going to be responsible for collecting a lot of these taxes. In view of the increases in the retail sales tax it is obvious that there are going to be a lot of fiddles worked and that people are going to be spurred to avoid the tax the best way they can. It is already obvious that we are losing millions of dollars from the provincial Treasury because people are importing cigarettes from Alberta, where they do not attract the tax, and with the increase it becomes even more a very economical and prosperous enterprise.

What steps has the minister taken to increase the number of inspectors to ensure that he is getting every penny of the seven per cent that he is gouging out of the people of Ontario?

Second, is he going to monitor the situation along with the Attorney General (Mr. McMurtry) and the Solicitor General (Mr. G. W. Taylor) to ensure that criminal elements do not get into the business of importing into Ontario items such as cigarettes, where there is going to be a lot of money to be made?

Third, does he not feel that this niggardly approach, this pickpocket approach of expanding the seven per cent sales tax, is going to drive citizens into avoiding the tax in every way they can and the fiddles, the hidden economy, are going to expand in Ontario?

**Hon. Mr. Ashe:** Mr. Speaker, if I may touch upon the Tobacco Tax Act first, there is no doubt there has been, as there will be with many commodities, some illegal—and I stress that word, illegal—importation of cigarettes from other provinces, particularly from Alberta.

Very recently, there has been a co-operative seizure and charges that came out of that illegal import of cigarettes. There was a co-operative effort between Alberta, the policing authorities and the people in my ministry. We think we have cut off a very large source of supply that was coming in illegally. There is no doubt it is an



ongoing part of our enforcement of the Tobacco Tax Act. It will continue to be.

The member opposite is in error if he feels there is no tax in Alberta. That is incorrect. It is substantially lower than ours, yes, but there is a tax on tobacco products in Alberta.

In summary, as in everything in terms of overseeing the responsibility of our tax laws in Ontario and enforcing those laws, we also have to be practical in that enforcement and keep in mind the people we are dealing with.

In the context of those who are breaking the law by importing cigarettes, frankly I have very little sympathy with those people. They are definitely in the business and determined that they are going to break the law, and the law will deal with them in the full force of that law.

As to the new vendors who are going to be involved in the administration and collection of sales taxes on our behalf, that is a different question. We have many small businessmen who have previously not been vendors collecting taxes on our behalf. We will be working with them over whatever period of time is necessary to get them involved in the system, not be hard on them, not be auditing them in the sense of a strict dollar and cent audit, but working with them and educating them to become collectors on our behalf in the tax system.

**2:40 p.m.**

The other part of the question relates to whether we will have more auditors. The answer to that is yes, our sales tax branch will probably grow somewhat, considering the large additional number of vendors who will be collecting on our behalf, but not at all in disproportion to the number of licensed vendors we now have.

Last but not least, are people going to be breaking the law? I would suggest the chances are probably 50-50 that every one of us who gets into his car tonight is going to break the law to some degree. Whether that makes everybody illegal or not, I do not know.

As people become familiar with the new items of tax and know that there is responsibility on the part of the citizens and vendors in Ontario to administer and be a part of the overall tax laws, I do not think there will be any ongoing problem in the administration of those laws.

**Mr. T. P. Reid:** The minister had better talk to his chauffeur-driven limousine driver about breaking the law.

**Hon. Miss Stephenson:** What is a chauffeur-driven limousine driver?

**Mr. T. P. Reid:** Prior to the seven per cent tax on public transit, some of us were taking the subways and public transportation.

I do not think the minister really appreciates the seriousness of the actions of his colleague the Treasurer (Mr. F. S. Miller). He has sent out in the province an additional 60,000 people who will now be designated as tax collectors: people who will be doing repairs on television sets, outboard motors, lawn mowers, a whole gamut of things. I want to know how he is going to police that.

The only way he is going to police it is to again increase the very bureaucracy the Treasurer takes such great delight in saying they are cutting back on. He is not only turning people into tax collectors, he is going to have to swell the ranks of the civil service within his ministry to make sure those taxes are paid and collected. Again, that is a contradiction in the budget. Would he not agree his whole program is poorly conceived, ill thought out and is just nothing more than an annoyance, and the money he does collect is only going to balance the extra costs he is setting up?

**Hon. Mr. Ashe:** With that kind of logic and that kind of arithmetic, I am glad the member is the critic and not the Treasurer. Obviously, when he adds up two and two it comes to 10. We all know that is not the case. I do not know where the member—

**Mr. Kerrio:** With \$2 billion debt, who are you kidding?

**Mr. Speaker:** Order.

**Hon. Mr. Ashe:** I do not know where the member got his figure for the anticipated additional number of vendors. I wish he would give me a list, because it is a somewhat more substantial number than we perceive we will be adding to our roll. Our guesstimate—we like to be honest—is we do not fully know how many there will be. That is for sure.

It is much more honest to come out with something like that than to pick the outlandish, grandiose figure of 60,000 out of the sky. It will be much closer to 10,000, not just a trifle different; 60,000 versus 10,000 is somewhat different. It could end up being 15,000, I will acknowledge that, but that is a far cry from 60,000.

The numbers the member refers to in terms of the administration costs of the Retail Sales Tax Act, again, are all out of proportion. Yes, it is going to cost a little bit more, there is no doubt about that. But the collection costs, the oversee-

ing costs, the education costs, our vis-à-vis program, which is working with vendors outside the audit system, I think will be an investment on the part of the division to work more closely with the vendors.

There is no doubt there will be a period of familiarity with the rules and regulations we are setting up. We are dealing with a new group of people who may not have worked within the tax system to the same degree before. There is no doubt about that either. We recognize that and the staff who will be working with these people will be aware of that and will handle it, as they do the rest of our program, responsibly. The end result, without any great difficulty at all, will be substantial net revenue to the Treasury of Ontario.

**Mr. T. P. Reid:** I would like to ask the minister if he could table any of the studies and figures he has on the number of people who will now be tax collectors for the province? How much revenue does he expect to get on a breakdown by sector of tobacco, plants, toys, pets and so on? Could he table those figures in the House, and also the background studies that were done for this program by his ministry for the Treasury?

**Hon. Mr. Ashe:** We will take that under advisement. I think if the member would look back into the documents tabled with the budget, some of the information he has just referred to is already there. As far as the actual breakdown is concerned, we are not going to know absolute numbers until the system has been in effect for a while. We can give some numbers as to what we feel a further breakdown of the estimates would be. The grand total, of course, was in the budget as tabled by the Treasurer.

**Mr. T. P. Reid:** It is interesting the minister should talk about my figures when the Treasurer was out 124 per cent on what his deficit was going to be in the province, and I bet this year he is out another 50 per cent.

#### TREASURER'S ATTENDANCE IN LEGISLATURE

**Mr. T. P. Reid:** Mr. Speaker, under rule 27(h), I most humbly ask permission of the Premier to redirect a question from the minister of finance, who is not here, to his parliamentary assistant.

**Hon. Mr. Davis:** Mr. Speaker, I would be delighted to give permission. I am not going to,

but I would be delighted to under ordinary circumstances.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** I would remind some members opposite that parliamentary assistants have been discouraged from handling legislation or other issues for ministers. We are just following the traditions of the House. I think even the member for Rainy River has done that on occasion. If the honourable member wishes to direct a question to a minister, there is no problem whatsoever. I would be delighted to entertain the question myself, although I confess at the outset my knowledge of it probably would not be nearly as complete as that of the very distinguished member for Mississauga North (Mr. Jones).

Following the traditions of the House, which all members have played a part in establishing, including the new one last Friday, if the member would like to direct the question to me, I will do my best to answer it or get the information for him.

**Mr. Martel:** On a point of order, Mr. Speaker: The Premier himself indicates we are at a slight disadvantage. He might try to answer questions and, if he cannot, he will try to get answers. The Treasurer (Mr. F. S. Miller), who determines the date of the budget and his agenda, will be out of this zoo for the next week and a half. We are confronted with this fact this afternoon and for the next week and a half. The Treasurer brings in his budget then organizes a schedule that keeps him out of this House. What in God's name is going on?

**Hon. Mr. Davis:** Mr. Speaker, I notice that on a very important issue here the other day relating to budgetary matters, the very distinguished member who asked the question was unavoidably elsewhere. I respect that.

**Mr. Martel:** It is not my budget. Don't play games.

**Hon. Mr. Davis:** But you are a member of this House, with great respect.

**Mr. Speaker:** Order.

**Mr. Martel:** He is the Treasurer.

**Mr. Speaker:** Order. Let us get on with oral questions.

**Mr. Cunningham:** Mr. Speaker, this is a very important matter—

**Mr. Speaker:** Just a minute. The Premier has indicated he did not finish his answer.



**Hon. Mr. Davis:** I express the regrets of the Treasurer. I point out his budget was introduced last Thursday. In Friday's question period we had opportunities for lengthy questions. We could have had Monday, we could have had Monday, we could have had Monday, we could have had Monday, we could have had Monday —and we had Tuesday.

**2:50 p.m.**

The Treasurer is in Sault Ste. Marie signing the Department of Regional Economic Expansion agreement. I am sure the distinguished member for Rainy River fully appreciates the importance of the execution of this agreement for northern Ontario.

I can only say that there have been many opportunities and there will be many more opportunities. The budget debate will continue for some weeks. There will be many opportunities to discuss and debate the provisions of the budget. I would say to the member, and I say this very constructively, that on questions related to the budget that do not fall within the ambit of a particular ministry I shall attempt to endeavour to get answers to what I know will be specific, constructive questions. I am not asking the member to do this, but if he has—

**An hon. member:** What a farce.

**Hon. Mr. Davis:** Just let me finish—if he has some questions which he is genuinely anxious to get immediate responses to—we used to do it this way—if he will give me those questions by nine o'clock, I will attempt to have the answers for him by 10 o'clock tomorrow morning.

**Mr. Cunningham:** Mr. Speaker, the Premier indicated that the Treasurer is in Sault Ste. Marie announcing a sewer and water development instead of being here answering questions on the budget, and he has answered my question. Thank you.

**Mr. Mackenzie:** On a point of privilege, Mr. Speaker: I am not an expert on the rules, but I think part of your responsibility is order and integrity in this House and the rights of members of this House. It seems to me that what we have going on here, without the Treasurer and without his parliamentary assistant being able to answer the questions, is an insidious sort of muzzling of the opposition in this House. I really wonder whether or not you do not have a responsibility.

Interjections.

**Mr. Speaker:** Order, please; order, order.

Once again I point out to the member for

Hamilton East it is not my responsibility and it is beyond my authority to ensure attendance of anybody in this House. I preside over the proceedings. I interpret the standing orders which have been passed by the honourable members. I want to emphasize this, it is not for me to ensure the attendance of any members in this House.

**Mr. Cassidy:** There is something called accountability, Mr. Speaker, and it is not in evidence in this House now.

**Mr. Speaker:** When I want your advice I shall ask for it.

**Mr. Cassidy:** It goes to the heart of the problem. That's what accountability is all about—

**Mr. Speaker:** Order.

**Mr. Cassidy:** —and you should be defending it.

**Mr. Speaker:** You are testing my patience, I can tell you that.

**Mr. Cassidy:** They are testing ours.

**Mr. Martel:** Our patience is being tested. This is a mockery.

**Mr. Speaker:** Yes, I can see it is. I would point out to the honourable members that 23 minutes of question period have elapsed and we have had one question.

**Mr. T. P. Reid:** Mr. Speaker, this is the most important piece of business we will do this year. I am not going to accept the Premier's kind offer, because I am not that much of a masochist. Instead, I will go to the Minister of Municipal Affairs and Housing if I may.

**Mr. Wildman:** How come the Premier did not go to open the sewage plant? Why didn't you all go?

**Mr. Cooke:** There are more cabinet ministers up in Sault Ste. Marie than there are here.

**Mr. McClellan:** How many cabinet ministers fit into a sewage treatment plant?

**Mr. Speaker:** Order. Everybody wants to ask questions even though there is apparently no one to answer questions. I recognize the member for Rainy River with a new question. The member for Bellwoods will please just—contain himself, or whatever.

**Mr. T. P. Reid:** It is interesting they are up there opening a sewage plant when the Treasurer is also taxing toilet paper. I hope he points that out to them.

**Mr. Speaker:** Now to the question.

**Mr. T. P. Reid:** The Treasurer giveth and the Treasurer taketh away.

## TAX ON BUILDING MATERIALS

**Mr. T. P. Reid:** I have a question for the Minister of Municipal Affairs and Housing. Last Tuesday the Treasurer stated, "We have treated our boards and our municipalities with a degree of discussion and co-operation that we have not had at the federal level."

In view of this statement, can the minister indicate if he, any of his officials or the Treasury officials had any discussions with the municipalities regarding the elimination of the exemptions for materials incorporated into municipally owned and operated buildings and structures?

**Hon. Mr. Bennett:** Mr. Speaker, the member obviously realizes the budget is exactly the kind of confidential document he spoke of last week in this very House. The parts of that document that relate to the changing of tax positions are obviously the prerogative of the Treasurer to announce at the time of the budget. I have not spoken, nor would it be my responsibility to speak to the municipalities in relation to that prior to the budget date. I have indicated to the Association of Municipalities of Ontario that we are prepared to meet and discuss this further with them at this time.

**Mr. T. P. Reid:** Since the municipalities have already set their budgets for this year, since the budget unquestionably increases the tax burden placed on municipalities in Ontario, and since the government does not plan, or we have not heard it is going to provide more funding at or above the rate of inflation, does the minister plan to allow our municipalities access to additional revenue sources to cover the additional costs? Or does the minister expect them to cut back on the level of servicing, staff and capital works programs or, alternatively, bring in new budgets and raise municipal taxes?

**Hon. Mr. Bennett:** In relation to the question of whether we as a government are prepared to extend special or additional tax privileges to municipalities, that would be a government policy and if there is to be any change it will be announced. I have no knowledge of it, nor would I encourage that situation on members of the cabinet.

As far as talking about municipalities is concerned, as the member recalls, the north has been extremely well looked after in the grant formulas for municipalities by our ministry and this government. I said clearly to the municipalities—

Interjection.

**Hon. Mr. Bennett:** Let me just tell the member for Rainy River that 49 cents out of every dollar spent by a municipality in his end of Ontario comes as a direct grant from this government. Forty-nine cents out of every dollar they spend comes from us.

**Mr. Martel:** How much do you take out?

**Mr. T. P. Reid:** You have depended on the resources of Northern Ontario for—

**Hon. Mr. Bennett:** No one ever forgets that. That is why the grant formula is predicated to give a favourable position to those who do make a contribution to this province. We have never denied that in any way, shape or form. Indeed, in the grant formula for the current year, we averaged a 10.5 per cent increase to our municipalities, which is a greater increase than the ministry itself received. Obviously, that grant from this government was to try to curb some of the additional requirements of raising taxes on property at the local level.

I have nothing further to add than to say that I believe this government has treated its municipalities as fairly and openly as possible by making sure they got a fair grant increase. I will make one other point. As I said to AMO, and I repeat it in this House, as the minister reporting for municipal affairs, I have said very clearly—

Interjection.

**Hon. Mr. Bennett:** If the member will listen for a moment, I have said very clearly to the municipalities and to AMO that as the minister representing them in the cabinet I was not asking the Treasurer of this province to give grant increases in excess of or equal to inflation. I thought their governments, this government and the national government have a responsibility to curb inflation and that is not done by increasing grants to an unlimited position.

3 p.m.

**Mr. Cooke:** Mr. Speaker, I am sure the minister is aware of the press release put out yesterday or this morning by AMO reacting to the regressive budget. I want to quote two sections from that press release. It refers to the job creation program the government included in the budget. It states:

"The association believes that such programs will result in greater costs to municipalities than the actual employment creation benefits that would be achieved. Although the association firmly believes that job creation and economic stimulation are extremely important and essential objectives of the provincial government to fulfil, the 1982 Ontario budget does not contain



the tools, vehicles or initiatives to attain such goals."

Is the minister aware of that? Did he have any consultation with the municipalities before he or his Treasurer put this initiative into the budget and then taxed back all the building supplies in such a way as to make these kinds of job creation projects not nearly as viable to create the 31,000 jobs that his government says it will be creating?

**Hon. Mr. Bennett:** Mr. Speaker, there are a number of items in the budget related to job creation. Indeed, the renter-buy program, which comes under this ministry and through the Ontario Mortgage Corp., will create a very substantial number of jobs in the construction industry.

**Mr. Di Santo:** Do you qualify?

**Hon. Mr. Bennett:** The honourable member should read the newspapers and not take it so lightly. His community is going to benefit from it, and the figures already indicate it.

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** We have indicated on the renter-buy program, just one of many programs in the field of housing, that 38,000 man-years of employment will be created. If we look at the other aspects of job creation announced by the Treasurer, \$35 million relates to the municipalities. We only have to go back a few months—and the members on that side of the House have been repeating it—to when the municipalities asked this government to look at the possibility of reintroducing a make-work program, such as the winter worksprograms we have had federally and provincially in this country for some time.

We will announce some time next week the details of our \$35-million program in relation to how the moneys will be disbursed to the various municipalities, the types of programs it will cover and how many jobs we expect it will create for the individual municipalities of Ontario.

**Mr. Cunningham:** Mr. Speaker, is the minister aware that the removal of these exemptions will cause the following increases in the Hamilton-Wentworth area: for the new Hamilton Mountain transit garage, an additional cost to the municipality of \$96,000; for control and communication equipment for transit, \$52,500; for the expansion of Burlington Street, \$210,000; and an additional cost of somewhere in the area of \$416,000 to \$544,000 for the expansion of

sewage treatment plants for the treatment of sludge?

Can the minister tell us where the municipalities are going to get the money to pay for all of this?

**Hon. Mr. Bennett:** Mr. Speaker, obviously the honourable member is aware of the fact that a very substantial portion of those capital cost programs, regardless of whether they include taxes, is subsidized by the various ministries of this government. In the case of transit there is a 75 per cent grant by the government, and for sludge there is a grant program through the Ministry of the Environment. This government picks it up even if it is a tax being returned to us. The fact is that 75 per cent of it is still paid through a grant formula.

The balance of it is like other costs and expenses incurred by municipalities. Whether it be a municipality or the private sector, they have to review their whole budgetary requirements to see whether there are some areas they could eliminate. Whether it be in the municipal government or in the provincial government, when certain unexpected costs come your way your senior people are required to sit down and review the budget and, if necessary, cut; if not, then to prepare for whatever it takes to accommodate the expenditures, even if it means deferring them for a period.

#### TAX BURDEN

**Mr. Cooke:** Mr. Speaker, I have a question for the Premier; but before I get into the question, I would like to pass over some "Miller dollars" to the Premier. These are being handed out, I understand, in Toronto. On the back they have two portions to rip off to send to the Liberals and one section for this government and what its sales tax is doing to people's buying power in this province. I would like to send these over to the Premier.

**Mr. Speaker:** And now for the question.

**Mr. Cooke:** Thank you, Mr. Speaker. The question is also to the Premier. I would like to quote two more sections from the Association of Municipalities of Ontario press release that was put out yesterday:

"AMO records strong objection to those new provincial tax initiatives that place additional financial burdens on local government. The association views these additional taxes imposed on municipalities as a move shifting the tax burden from the provincial government indirectly on to the municipalities."

Since the verdict is in from AMO and from a great number of people across this province, is the Premier now, on behalf of his government, prepared to do what he is urging Mr. MacEachen to do, and that is to change his regressive budget?

**Hon. Mr. Davis:** Mr. Speaker, I cannot reply to that in short order. The shorter answer to that is no, of course, but that would not satisfy the member. Shall I try to explain why not?

**Mr. Riddell:** No.

**Hon. Mr. Davis:** I know that explanations are never the long suit of the member for Huron-Middlesex (Mr. Riddell). He never wants to listen to reason or logic; it would confuse his thinking.

But I say to the member for Windsor-Riverside (Mr. Cooke) that there is a very distinct difference between the budget presented by the Treasurer of this province and the budget presented by the federal Minister of Finance. If he pursued both budgets very carefully, he would find that in terms of tax burden the Ontario budget is minimal compared to that of the government of Canada.

In another essential area, the question of investor confidence and job creation, and the kind of budget that creates some degree of stimulation and some degree of investment, he will find that the budget of the Treasurer of this province has been welcomed by small business, by the housing community and by those many people who are going to be the direct beneficiaries of the economic activity that takes place. If the member pursues Mr. MacEachen's budget carefully, I think he will find there is no such single group.

I say to the member that I understand the political realities. Any time there is an increase in the tax base it receives a fair amount of attention. No Treasurer likes to increase or add additional tax burdens; it is not the most comfortable of obligations. But he also has an obligation to look after the financial affairs of this province, and I think in this budget he has done it extremely well.

**Mr. Cooke:** Mr. Speaker, is the Premier aware that the additional cost to the city of Cambridge as a result of the budget is at least \$35,500; to Cambridge Transit, at least \$22,700; to Cambridge Memorial Hospital, at least \$27,200; to the Waterloo County Board of Education, which includes the city of Cambridge, \$665,000; and to the Waterloo County Roman Catholic Separate School Board, at least \$70,000?

Is the Premier aware of those statistics, and is he aware of what they mean to the people who are paying property tax in that area? If that is not a shift to a further regressive tax and does not very clearly demonstrate, as he said in his first answer, that his friends are the winners and the beneficiaries of this budget, is the Premier still not willing to reconsider this budget to help those people who are on medium and low incomes?

**Hon. Mr. Davis:** Mr. Speaker, there are many people involved in the small business sector who would consider themselves as being part of the "middle-income group." If the honourable member wants to say the small business community is a "friend of this government," I would be delighted to have that become a reality. If he is saying small business is not a friend of his party, I would express the personal point of view that this indicates great judgement on their part.

I cannot give the member the specifics on every single item, but I will give him an example. If in the city of Brampton the Brampton Transit System were to decide to buy X new buses and if they paid sales tax on those buses, the total cost of those buses would be eligible for the same degree or measure of percentage grant from the Ministry of Transportation and Communications. If the level of grant happens to be 75 per cent, which I remind the member is about the most generous grant in transit available anywhere in North America, MTC is picking up 75 per cent of the seven per cent additional cost.

There is no question that there will be some impact in terms of the local community, but the impact will be shared, if it is eligible for grant, by the ministry of this government.

**Mr. Epp:** Mr. Speaker, what advice does the Premier have for the more than 800 municipalities of Ontario and the more than 100 school boards which have already set their budgets for 1982? What advice has he got for them now that the budget of Ontario has come down and they are going to have large deficits? Does he suggest to all of them that they go back and have another budget meeting and re-evaluate their taxes for this year, or is he going to come forth with some additional money for them so that they can meet their budgets? As the Premier knows, they are not supposed to have deficit budgets the way this government does.

**3:10 p.m.**

**Hon. Mr. Davis:** Mr. Speaker, I have every sympathy for the municipalities. There have been some years—



**Mr. Laughren:** That will make them feel good.

**Hon. Mr. Davis:** Let me finish. If the honourable member does not want the answer—well, he does want the answer. My recollection is that the municipalities, and on occasion even the school boards, have set preliminary budgets even before a provincial budget or, on some occasions, even before the grant regulations were available. I will give as an example the Peel Board of Education. I think last year the grant regulations went out some time in March or whatever—

**Hon. Miss Stephenson:** Yes, in March.

**Hon. Mr. Davis:** I can only tell the member, and I am sure this is also true of the Waterloo county board, that the Peel board was very close to the establishment of the budget and the mill rate even before the grant regulations were available. So I happen to know there is some measure of flexibility.

I should point out to the member that we are probably talking about half of one per cent of the total budget of any community; some will be slightly more, some will be somewhat less. Taken in the context of their total budget and that there is some measure of flexibility—some municipalities I know are allowed to have contingency items in there—if we calculate into their expenditure patterns some of the areas where the sales tax will apply, if, in fact, it is eligible for provincial grant it could be far less than one half of one per cent of the financial obligation they may have to try to find.

**Mr. Cooke:** I would like to ask the Premier whether he is aware of what the superintendent of the Cambridge Transit told us he intends to do. Their biggest major cost, in addition to the sales tax increases, will be the Ontario health insurance plan premiums they have to play for their employees. Is the Premier aware that what he told us is that they intend to take that out of the wages of the workers who work for the bus company?

In view of the Premier's argument and the argument of the Treasurer that OHIP premiums by and large are paid by the employers of this province, does the Premier not now realize that OHIP premiums are paid, in one way or another, by the employees, the workers of this province? That is a regressive tax, and when is that going to be changed in this province?

**Hon. Mr. Davis:** With great respect, Mr. Speaker, I will not dispute that being a supplementary, because it is very definitely a new

question; you know that and I know that, but I will answer it anyway.

**Mr. Di Santo:** I have a supplementary.

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** With respect to the member for Downsview (Mr. Di Santo), I have not finished with the member for Windsor-Riverside.

I think the Treasurer has made it quite clear that with respect to the financing of the health care system, and there is a paper contained in the budget, that this government has never been reluctant to explore alternatives, although I think all members will understand that when we get into exploration of alternatives other than some of the simplistic ones, we find that the premium system still has a workable basis for it.

I would say to the member that we all acknowledge that whether it is paid by the employer or the employee, it is all paid into the health delivery system of this province. I do not think the Treasurer has ever debated the assumption the member has made.

#### AID TO PENSIONERS

**Mr. Cooke:** Mr. Speaker, this question will also go to the Premier. The Premier set up the Royal Commission on the Status of Pensions in Ontario, and the select committee on pensions also studied that problem. The select committee on pensions stated that "the government of Ontario should increase without delay the payment for Gains to bring single persons up to the adequacy level of 'available income'."

Since that was recommended by the royal commission, and that recommendation was supported by the select committee of this Legislature, why is it that in this budget there is absolutely no provision to implement these recommendations for the people of this province?

**Hon. Mr. Davis:** Mr. Speaker, I am only going by memory again, but the royal commission report on pensions was about yea high. It contained, as I recall, many recommendations, not just this one. The select committee on pensions report, I think, also contained many recommendations. The honourable member has asked about a specific recommendation and, of course, does not deal with the many others that are contained in both reports.

I would say to the member it is not a question of acceptance or non-acceptance of that or its appearance or non-appearance in the budget. Of course that is a matter of concern to the government of the province. I think it is fair to



state that all matters that relate to our pensioners or to welfare recipients have not been dealt with necessarily in the budget, and the exclusion of them does not mean the government is not aware of them or not considering them. I do not think the member really can refer to it as being specifically something that should or should not be in the budget. There are a lot of things that are not in the budget.

**Mr. Cooke:** Does the Premier not realize that not only is this recommendation not provided for in this budget but also, through the implementation of several regressive taxation measures, senior citizens in this province are going to be worse off, thanks to him and his Treasurer's budget? Does the Premier not realize that? Why has he not taken steps to assist those senior citizens who are living in poverty in this province, when he has not taken the necessary steps to assist them as a caring government should?

**Hon. Mr. Davis:** I do not want to take issue with the member. I understand the rhetoric we use in this House, but I say to him once again, with the greatest respect, when it comes to the senior citizens of this province, this government makes no apology for the initiatives, assistance, encouragement and recognition that we attribute to the contribution the senior citizens of Ontario have made. We take some pride in the programs we have introduced and will continue to maintain.

**Mr. T. P. Reid:** Mr. Speaker, I hope the Premier's clichés have not all been said, although I know he never runs out. His budget is going to increase the costs of every senior citizen in the province by a minimum of \$21 to \$30 a month, with the expansion of the seven per cent sales tax on goods and services in Ontario. They do use toilet paper, they do use underarm deodorant—

**Mr. Speaker:** Now for the supplementary.

**Mr. T. P. Reid:** —some of them have pets and all the rest of it. Some of them are already below the poverty level. What is he going to do to bring those who are below the poverty level up, and what he is going to do for those who are going to suffer under this increased burden of tax as a result of the broadening of the seven per cent retail sales tax?

**Hon. Mr. Davis:** Mr. Speaker, I would be the last one to comment on the platitudes I use, after I read some of the platitudes and rhetoric of the very distinguished member in his budget speech contribution. Some of it was refreshing, but to say it was cliché-ridden would be an

understatement. Some of it was clever, some of it not so clever.

**Mr. T. P. Reid:** Would you like to hear my speech again?

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** Listen, I even suspect and guess who the author of the honourable member's poem was.

**Mr. T. P. Reid:** You're looking at him. I don't have all the speechwriters you do—

**Hon. Mr. Davis:** Oh, come on. I happen to know the member's wife has far more talent than he will ever have. He knows that, and I know that.

**Mr. T. P. Reid:** She is more talented than all the women in your cabinet, that's for sure.

**Mr. Speaker:** Order. Can the Premier get back to the question?

**Hon. Mr. Davis:** I am sorry, Mr. Speaker. I will get back to the question that was raised. I think the member, if he does a little more homework, will find his figures are really significantly high. He should do a little homework and—

**Mr. T. P. Reid:** Give me a figure of your own.

**Mr. Van Horne:** We would like to see your figures.

**Hon. Mr. Davis:** Listen, I will check and give the member a guesstimate. The guesstimate from the Minister of Revenue (Mr. Ashe) is somewhere around \$2 to \$4 a month. That is—

**Mr. Mackenzie:** You wouldn't take his word, would you?

**Hon. Mr. Davis:** Who knows exactly what the figure is?

**Hon. Miss Stephenson:** When do you ever go shopping?

**Hon. Mr. Davis:** You know who does the shopping in your family.

**Mr. T. P. Reid:** I do.

**Hon. Mr. Davis:** I would say to the member that this government has always recognized the needs of our senior citizens. We will continue to do so. In fact, a couple of years ago we recognized them in a fashion that totally upset the member's former leader. It has upset every member of the Liberal caucus. The member did not want us to proceed with some of the programs for our senior citizens, because he thought we might get some modest degree of political credit for it.

**Mr. R. F. Johnston:** Mr. Speaker, I hope the



Premier will admit that a budget does state the financial priorities of any government. He will admit that although he protected successful small businesses and he made sure there was nothing in the budget that was going to affect the major gains the doctors have made in our society in the last little while, there is no mention in that budget of senior citizens.

Will he not agree that he has added to the senior citizens' financial burdens by taxing items that were never taxed before—magazines, personal hygiene items, denture cleaners, denture adhesives and prepared foods? How can the Premier stand up today and say senior citizens are a priority for him today?

Interjections.

**Mr. Speaker:** Order. The member for Scarborough West has the floor.

**Mr. R. F. Johnston:** How can the Premier say they are a priority for him when there was no mention or suggestion that he would help them in this tough time by increasing their sales tax credit, or at least their property tax grants, to accommodate that extra burden they are going to be taking.

The Premier hinted in his opening remarks that it may not have been in the budget but that it may be forthcoming. Will it be forthcoming? Why was it not stated as a priority by his government?

3:20 p.m.

**Hon. Mr. Davis:** Mr. Speaker, I do not think it is fair to state that a budget contains every priority of the government. If the government did that, the members would be here for a week listening to the budget.

I would only say to the honourable member not to read anything into what I say might or might not happen. The general statement I made, and I repeat it—and I think the record supports what I am going to say—is that this government has been as sensitive as or more sensitive than almost any other government with respect to provisions of support and assistance to our senior citizens. That is the case, and it will continue to be the case.

In my limited travels I may have met fewer senior citizens than has the member but I am not sure and, somehow, I doubt it. I have found that senior citizens of Ontario understand this; they recognize it, and they appreciate it.

#### TAX ON RESTAURANT MEALS

**Mr. Sweeney:** Mr. Speaker, I have a question of the Minister of Revenue. Given that the

budget speaks of trying to help small business, how can he as a member of the cabinet and therefore of the government and, I suppose, having some influence on this budget—and as the minister responsible for carrying the legislation, as the Premier just said—justify increasing the cost of eating out in lower-priced establishments, which are also small businesses, when we know that even before the budget was introduced, the customer count in those smaller restaurants had already declined by 25 per cent? How is he helping those small businesses by this budget implication?

**Hon. Mr. Ashe:** Mr. Speaker, the honourable member has obviously come to some conclusions that I do not agree with. First of all, and he has already alluded to the fact, many restaurants are small businesses and not part of a chain; they are on their own. Even many of the so-called chains are franchises, as the member well knows. In fact, because they are small incorporated businesses, they will qualify for the part of the stimulus coming out of the budget of my colleague the Treasurer which gives them a two-year tax holiday. This, obviously, will be of benefit to them.

As for the implication that the change in the tax rate—which has not come into effect, by the way; it does not until June 14—will itself produce a substantial net decrease in the restaurant business in the long term, I disagree with that. Yes, there is a general decline, I think it is safe to say, in most areas out there. That is one of the reasons this government, through this budget, had to attempt to put some stability and some confidence back in the economy, which has been so badly eroded since the federal Liberals' budget of last November.

It is very difficult for one provincial government in one budget to offset that massive document; but we think the overall measures in this budget will at least offset some of that.

**Mr. Epp:** Have you ever been brainwashed.

**Mr. Kerrio:** Blame the Americans, blame somebody else.

**Mr. Speaker:** Order.

**Hon. Mr. Ashe:** Virtually all restaurants, other than the straight take-out type, other than the McDonald's type of restaurant and something beyond, sell food which, particularly in the evening time which I would suggest a vast majority of the time comes to more than \$6 per person. In fact, what will happen on June 14 is that the tax on those meals will be decreased by three per cent. I suggest that if one looks at the

overall week in most sit-down restaurants, the sales tax changes will not have one iota of negative impact.

On the other side of the coin, small businesses, if they are incorporated, will qualify for a two-year tax holiday. That is much more stimulus than what came out of the federal budget last November.

**Mr. Sweeney:** Surely the Minister of Revenue is aware that the tax holiday for two years is going to be most beneficial to those businesses that are earning a profit and therefore are paying taxes. The minister has just agreed that the very kinds of low-cost restaurants I have been talking about are already having trouble. They already have a declining customer count and those same businesses account for an employment level of 250,000 in this province.

Does the minister not realize that what he is doing is affecting and potentially reducing employment at that level? Did he not take that kind of potential effect into account when he brought this measure into the budget, a budget that was supposed to increase employment, not decrease it?

**Hon. Mr. Ashe:** I suggest the supplementary question was really the same question all over again with a few different words. If the member would like me to repeat it all again with a few different words, I would be happy to do so. As I think I answered, the long and the short of it is that I do not agree with the member that the budget measure in itself will have any negative impact on the restaurant business over any period of time.

**Mr. Sweeney:** You want to discourage people going out to eat dinner.

**Hon. Mr. Ashe:** That is the member's opinion. If any people have been discouraged from going to restaurants, from buying goods and services, from doing anything, not only in this province but also elsewhere across Canada, it is the member's federal colleagues who have caused it to happen.

**Mr. Wildman:** Mr. Speaker, I am sure the minister would agree that the major problem facing the small business sector, and one of the main reasons for the tremendous increase in bankruptcies over the last couple of years in that sector, is the ill-conceived and ridiculous high interest rate policy of the federal government. The fact is that his budget did not do a thing for those people.

A tax holiday for people who are making a profit does not help one person in the small

business sector who is in trouble because of high interest rates and is not making a profit. Why did he not do something for those people if he really wanted to help the small business sector?

**Hon. Mr. Ashe:** Mr. Speaker, there is one thing the representative of the third party and I agree on, that the great majority of our difficulties within this province and this country are caused by the high interest rate policy of the federal Liberal government. Since we acknowledge and accept that, there is no difference of opinion.

**Mr. Epp:** Tell us about Suncor.

**Mr. Ruston:** Joe Clark agrees with it.

**Mr. Wildman:** Why don't you do something about it?

**Mr. Sweeney:** Part of the high interest rate is the \$650 million going out of this country.

**Mr. Kerrio:** You don't care who you get into bed with.

**Mr. Mackenzie:** Make him answer the question, Mr. Speaker.

Interjections.

**Mr. Speaker:** Order. Will the minister please address the question?

**Hon. Mr. Ashe:** I always answer the questions, always directly and I never provoke. I think it has been acknowledged in other jurisdictions within Canada, and not only this one, that it is extremely difficult for a provincial government to have any influence on interest rate policy or even to offset some of the negatives of that policy.

Within the rather narrow movement area the Treasurer had, he chose, in the context of assistance to small incorporated businesses, a policy that will definitely favour those that have at least some degree of success, namely, those that are making a profit. There is no doubt about that. It would be literally impossible for this province to fiscally offset the negative implications for so many sectors of our economy caused by the federal Liberal government's high interest rate policy. We simply cannot afford it, and we have to select our places within the fiscal restraints and constraints that we have.

3:30 p.m.

#### AID TO FORMER PSYCHIATRIC PATIENTS

**Mr. McClellan:** Mr. Speaker, I have a question for the Minister of Health, if he has



recovered his composure from his emotional display yesterday.

In light of the two reports that were released today, *Madness*, by the Ontario Public Service Employees Union, and *The Housing Gap*, released by the Supportive Housing Coalition, which documents the need for housing for ex-psychiatric patients, may I ask a question about yesterday's announcement?

Is it correct that the \$1 million fund the minister announced yesterday is the same \$1 million fund that is in the hands of the Metropolitan Toronto District Health Council; that the health council has received a number of project proposals it intends to prioritize and, in fact, has prioritized; that the \$1 million will be spent among nine projects that have already been given priority by the Metro district health council; and that among those nine projects are a total of 20 beds that will be funded by this \$1 million fund for ex-psychiatric patients? This would make, by my count, 14 beds for Regeneration House, 40 for Dewson hospital and 20 from the \$1 million fund for a grand total of 74. Is that information correct?

**Hon. Mr. Grossman:** As usual, no, Mr. Speaker. There is no question about a couple of things. First, I have set aside at least another million dollars to help solve the problem in Parkdale. Second, the Supportive Housing Coalition, which, as the honourable member knows, we have funded to hire an executive director to help solve the problem, puts the figure at about 250 or 260 beds needed. We have already accounted for 74 of that figure.

We are continuing to use the \$1 million and perhaps more to cut that figure once again. As we go further in this area I will obviously be looking to the district health council priorities, which deal with many of those things, because I do believe, and I know the member believes, that the DHC has a great sense of priorities in this area.

Finally, I know the member has a hard time envisaging the fact that people who belong not to his party but to my party—and indeed, to the Liberal Party, to be fair—can and do get quite emotional about some of the circumstances faced by the people in this city and other cities who are ex-psychiatric patients. I have never risen in this House to suggest that the member was going through some sort of phoney emotional display, and I think he shows a fair degree of condescension when he presumes to be the only person in this House who cares about ex-psychiatric patients. The members sitting

opposite me care, and every single member on this side of the House cares equally.

**Mr. McClellan:** Has the minister received a copy of *The Housing Gap*? Is he aware of the information in that report, specifically that 53 per cent of the patients discharged from the Queen Street Mental Health Centre during the survey period, which I understand was in April 1982, required 24-hour-a-day supervision; that seven per cent of the patients being discharged from the Queen Street Mental Health Centre in April 1982 were being discharged onto the street with no place to go; and that, as of April 1982, there were 249 ex-psychiatric patients living in the hostels in Metropolitan Toronto, another 241 ex-psychiatric patients who were so disturbed that they were barred from living in the hostels, and another 171 ex-psychiatric patients who were on what is called a caution alert—again, too disturbed to live in a hostel?

Can the minister tell me, please, how his 74 beds are going to address these problems?

**Hon. Mr. Grossman:** First, I am not acknowledging that those figures and that analysis are correct. The report has only now been received. Let me assure the honourable member and those who were involved in writing the report that I will read the report carefully. If there are any constructive suggestions contained therein, we will certainly follow them.

I will not take the time of the House to review the various initiatives undertaken by this government. Many of them were undertaken before I became minister and more have been undertaken since. The member knows what is happening at Queen Street which will solve many of those problems.

**Mr. McClellan:** Your predecessor Mr. Timbrell and your government caused those problems.

**Hon. Mr. Grossman:** I know even the member will not find it within himself to criticize Dr. Malcolmson, Mr. O'Keefe or Sister Janet Murray. They are the persons who will be in a position to solve a great number of those problems.

**Mr. McClellan:** No. I am criticizing you.

**Hon. Mr. Grossman:** In terms of our responsibilities, I would remind the member that we run the Queen Street psychiatric facility. Those people report to and work for us and they are solving many of the problems identified in that report. I would also remind him that a great number of the issues raised in that report, as I understand it, deal with community services.

As he knows, almost every initiative I have

undertaken in the area of mental health in my short three months as minister has been related to providing more community-based facilities. The initiatives we will undertake with our further \$1 million will again be based in the community so that almost all the problems he is identifying either have been addressed, are in the process of being addressed or will be addressed.

**Mr. Speaker:** The time for oral questions has expired. I might point out to the honourable members that I have used my discretion to extend question period by more than six minutes.

**Mr. Wrye:** Mr. Speaker, I have a point of order based on the comment you just made about extending question period by six minutes.

Clearly, my colleague the member for Hamilton Centre (Ms. Copps) wished to address a question to the Minister of Health on this important matter. You allowed the member for Bellwoods to have a supplementary question beyond the 60-minute limit of the question period. In view of the importance of this matter, it seems to me it would have been appropriate for you to allow a final supplementary from the member for Hamilton Centre.

**Mr. Speaker:** That is a very interesting opinion but, with all respect, that is all it is.

## MOTIONS

### ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Hon. Mr. Wells moved that the time allocation for consideration of the estimates of the Ministry of Community and Social Services be reduced by five hours.

Motion agreed to.

## BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding standing order 64(d), Mr. McNeil and Mr. McKessock exchange positions in the order of precedence for private members' business to be debated.

Motion agreed to.

3:40 p.m.

## INTRODUCTION OF BILLS

### MUNICIPAL ELECTIONS AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon.

Mr. Wells, first reading of Bill 119, An Act to amend the Municipal Elections Act.

Motion agreed to.

**Hon. Mr. Bennett:** This bill contains a number of amendments in two major categories: first, it includes provisions to enable municipal councils to pass bylaws regulating campaign contributions and requiring the reporting of expenses and contributions; second, it includes a number of changes to the election procedures and to the wording of the act, to improve and clarify the municipal election procedure.

### CERTIFICATION OF TITLES AMENDMENT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr. Baetz, first reading of Bill 120, An Act to amend the Certification of Titles Act.

Motion agreed to.

**Hon. Mr. Elgie:** Mr. Speaker, I am pleased to introduce an amendment to the Certification of Titles Act that will greatly reduce the time it takes to do a title search of subdivided properties.

By way of background, this act was passed in 1958. It gives land owners the right to apply to have titles to their land certified or guaranteed by government. This means that a person wanting to buy the property has to search back only to the time when the certificate was issued. The amendment to the act takes this concept one step further. It authorizes the ministry to certify titles to plans of subdivisions already registered in the land registry system.

Subdividers will not have to apply for certification. This work will be carried out by ministry staff. They will search the title and, if it is sound, the certificate will be effective as of the day the plan was registered. This will eliminate the most difficult part of the usual 40-year title search for lots in subdivision plans.

### WORKMEN'S COMPENSATION AMENDMENT ACT

Mr. Haggerty moved, seconded by Mr. Newman, first reading of Bill 121, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

**Mr. Haggerty:** Mr. Speaker, the purpose of the bill is to broaden the criteria used by the Workmen's Compensation Board in assessing the impairment of earning capacity resulting from an injury that causes permanent disability. The act currently states that the impairment of earning capacity shall be estimated from the



nature and degree of the injury. The board is authorized under the act to compile a rating schedule of percentages of impairment of earning capacity for specific injuries that may be used as guides in determining the compensation payable in permanent disability cases.

This bill repeals the provision that authorizes the board to compile a rating schedule and directs the board to estimate the impairment of earning capacity in the light of the circumstances of each individual case.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I wish to table the answers to questions 32 to 51, 119, 126, 128, 130, 132 to 134, 138, 141, 146 and 151 and the interim answer to question 129 standing on the Notice Paper [see Hansard for Friday, May 21].

#### ORDERS OF THE DAY

##### BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

**Mr. Kerrio:** On a point of order: Would I be in order if I were to ask that the member from the government side be now heard?

**Mr. Speaker:** I would think not.

**Mr. Cooke:** Mr. Speaker, before I get into the text of my comments today I want to thank the Premier (Mr. Davis) for sticking around this afternoon and filling in for the Treasurer (Mr. F. S. Miller).

The other day, when the official Liberal critic for the Treasurer was speaking, the Treasurer was in town but attended only about 10 minutes of that member's speech. It is an indication of how far we have gone in this Ontario Legislature, of how arrogant that government over there has become, when they show no respect whatsoever for the legislative process. They govern only by polls and what they think will get them votes, and to heck with the opposition, which happens to represent over 50 per cent of the people of this province.

**Mr. Riddell:** That's it.

**Mr. Wrye:** That's it.

**Mr. Cooke:** Now that a couple of Liberals have agreed with me on that, and again before I get into the text of my speech, I want to make a

couple of comments about my colleagues to my right.

**Ms. Copps:** Not philosophical comments.

**Mr. Cooke:** It is absolutely amazing. These people, who are members of the Legislature, are members of the Liberal Party. There is only one Liberal Party in this country. There are not two Liberal parties in this province. Is the brother of the member for Rainy River (Mr. T. P. Reid) a member of a party different to the one he belongs to?

**Mr. T. P. Reid:** I am Liberal-Labour as well.

**Mr. Cooke:** Is the brother of the member for London Centre (Mr. Peterson) a member of a different Liberal Party to the one he belongs to?

**Mr. Wrye:** I am glad my brother is in Nova Scotia, but he is a Liberal, too.

**Mr. Cooke:** They come into this Legislature and they say they are against high interest rates. They are in favour—

**Mr. Kerrio:** What about Lenin and all those bums?

**Mr. Martel:** You're the biggest buffoon of them all, Vince.

**Mr. T. P. Reid:** Hey, the enemy is over there.

**Mr. Cooke:** Yes. I think the enemy is over there. We are surrounded on three sides.

We talk about interest rates in this province. That party supports the high interest rates because they are their party's. They say they do not believe it, but it is a basic issue. If they believe that foreign investment is wrong and that the Foreign Investment Review Agency should be strengthened, that is another basic issue.

If the the members of the party to my right do not agree with the policies of the Liberal Party, it is incumbent on them to resign from the Liberal Party and sit as independents; not to try to play a con game on the people of Ontario to convince them that they are somehow different from Liberals. A Liberal is a Liberal is a Liberal and they are stuck with it.

**Mr. Ruston:** We are used to his boloney; after five or six years in Windsor we're used to it.

**Mr. Cooke:** We had a hot line show—

**Mr. Bradley:** Are you running federally next time? Tell us, are you giving up your seat for Bob Rae?

**The Deputy Speaker:** Order. I have allowed some freeway in your opening remarks. I think it will soon be time to get into the budget.

**Mr. Cooke:** Thank you, Mr. Speaker. I wanted to point out that this provincial budget was the subject of an open-line program in my home town. They took a poll on the bell-ringing that went on last weekend. The vast majority of the people who called said: "If it was any other party"—that is, the party to my right—"it was believable." They know what Liberals are like and they do not want David Peterson to do for Ontario what Trudeau is doing for all of Canada.

**An hon. member:** Trudeau and Peterson.

**An hon. member:** Have mercy.

**Mr. T. P. Reid:** Tell us about the Saskatchewan election. Let's talk about Saskatchewan.

**Mr. Cooke:** Now I would like to get into the text of my speech.

**The Deputy Speaker:** Yes.

**Mr. Cooke:** Last week, the budget was brought down by this government. It was a classic Tory budget. It offered help to those who needed no help, and increased taxes on those already struggling to make ends meet. It offered help to those who can already afford to buy a home but it forgot those who cannot afford to keep their homes because of Liberal mortgage rates. It offered a tax holiday to small businesses which are making money but it forgot those that are going bankrupt because of Liberal interest rates.

It gave \$1 billion to the doctors and said that the disabled, the elderly and single parents dependent on government must continue to survive with increases at a rate less than inflation.

**3:50 p.m.**

This budget was mean and heartless at a time when thousands of Ontarians were counting on this government to be compassionate and understanding.

The Liberals demonstrated the same philosophical approach to middle and low-income families in last November's budget. They gave a large tax reduction to the wealthy by lowering the tax rate. Specifically, 45,000 Canadians earning \$100,000 a year had their taxes lowered by \$4,970. Now this regressive Conservative budget will finish the job that Allan MacEachen began.

At a time when 575,000 people are out of work in this province, this budget promises 31,000 temporary jobs and says that a recovery is around the corner.

At a time when the Conference Board of

Canada and virtually every economist in this province is predicting negative growth, this government says we should be optimistic about our future.

At a time when the structural difficulties in the manufacturing sector of Ontario have never been so obvious, this government takes no new initiatives and simply reannounces the Board of Industrial Leadership and Development for the fifth or sixth time.

No action was taken in the auto sector where thousands of people remain laid off. No action was taken in food processing or mining machinery where literally thousands of long-term jobs could be created through a program of import replacement. In fact, the government refused to accept that this recession is anything other than a cyclical downturn in the economy. Instead, it insisted that when the US economy picks up, so will ours and all will be well again.

At a time when we needed imaginative initiatives, this government has done nothing and has said: "Have faith in the future."

Of the people who renew their mortgages this year in Ontario, 32,500 of them will be in trouble because their payments will be over 30 per cent of their monthly income. They were looking to this government for help. Other provinces have taken action, but this province instead decided that the federal mortgage assistance program was adequate, even though to date only 342 people have qualified for aid, most of them with interest rate deferrals which in fact means that at the end of the year they will owe more on their mortgage than they did at the beginning of the year.

Mr. Ken Gauthier, who lives in my riding, renewed his mortgage last year. He did not qualify for the federal mortgage assistance program. He is working at two jobs just to keep up the payments on his house. His payments went from \$272 a month to \$433 a month. Mr. and Mrs. Furler, also in my riding, had their payments go from \$448 a month to \$599 a month. Both of these families were looking to this government for help.

Mrs. Therese Leclerc, also of Windsor, could not get a mortgage and she has since lost her home. She could not get her mortgage because her payments were so high after the renewal that she did not qualify for a renewal of her mortgage.

Linda Philips of Welland, who contacted my colleague the member for Welland-Thorold (Mr. Swart) a week ago with the problem that she could not get her mortgage renewed, has



since lost her home as have apparently other people in her subdivision. The reason is their mortgages are all coming up for renewal and payments will be well over the 30 per cent of their incomes and the mortgage companies will not renew their mortgages.

These people and thousands more were looking for help from this government, but no action was taken.

A 59-year-old woman named Mrs. Dixon came into my office a couple of weeks ago. She lives on \$2,700 a year from welfare from the city of Windsor. She, along with 500,000 other people in this province living on government assistance, was hoping that this government cared enough about them that they might get some help.

However, instead of an attack on poverty, this government through its regressive taxation policies has attacked those living in poverty. It has done this by eliminating the exemptions from sales tax on many necessary items. Mrs. Dixon, who lives in her own home, because of the increases in taxation and the increased property tax she will be paying, could very well be forced out of her home because of this increase in taxation by the Conservative government. This government says last week's budget was fair and equitable. Well, Mrs. Dixon does not believe this government's budget was fair and equitable.

At the same time, another constituent of mine, Mr. R. Tebbs—perhaps the Premier knows him—first vice-president of Hiram Walker, who earns \$788,000 a year, can now go to the most expensive restaurant in Toronto or any other place in Ontario and he will have the rate of tax on his meals lowered from 10 per cent to seven per cent. Mr. Speaker, I ask you, is that equity? Home owners, small businesses, farmers and entire communities are suffering, yet this government has done little.

In Hamilton, 29,000 people are unemployed and want jobs. Layoffs have occurred this year at Brown Boggs Foundry, Otis Elevator, International Harvester and Stelco, to name a few.

In St. Thomas, unemployment is up nearly 40 per cent this year over last. Smiths Falls has 1,963 unemployed people, compared to 1,411 around the same time last year, a 40 per cent increase.

Cornwall has 5,281 people looking for work, up by 550 from last year. In that city 16 per cent of the municipal budget goes for welfare. In the Algoma district 6,811 people are unemployed, compared to 4,200 a year ago, a 60 per cent increase in that area.

In the Thunder Bay area, 7,575 people are looking for work and 15 per cent more people have been forced onto welfare this year compared to last.

In St. Catharines, 12,284 people are unemployed, a 17 per cent increase from last year at this time. The Welland area has 5,858 people out of work, compared to 3,523 last year, again a 60 per cent increase.

In my home community the unemployment rate remains very high at around 20 per cent, with unemployment among young people over 25 per cent; and that before universities are even out for the summer.

**Mr. Martel:** We have three cabinet ministers.

**Mr. Cooke:** Yes, we have three cabinet ministers. Only two Liberals are left in the House though.

**Mr. R. F. Johnston:** This has been the most successful attack on the Liberals I have ever seen.

**Mr. Cooke:** Maybe they do not need bells to stay out.

Mr. Speaker, these are only a few of the communities in this province that are suffering from the deepest recession since the 1930s. The statistics certainly tell how serious the problem is; and, as honourable members know, all they have to do is go to their constituency offices on a weekly basis and talk to those who are unemployed to understand in human terms how this recession is affecting people. Yet in the light of this disastrous state of our economy, the Treasurer has decided that 31,000 temporary jobs are adequate.

Unlike Liberal John Evans, we in the New Democratic Party do not feel this budget is a realistic attack on our serious economic problems. I gather some Liberals do not agree with John Evans either.

**4 p.m.**

The position of the party to my right is that there should be no increase in the deficit, no increase in taxes, no cutbacks in services; at the same time it endorses aid to home owners, small businesses, hospitals, colleges, universities, etc. This typical Liberal position has contributed nothing whatsoever to what should have been a serious economic and budgetary discussion for this province.

A couple of weeks ago, we in the NDP put forward a comprehensive set of budgetary proposals. These proposals recognized that persistent inflation, record interest rates, tremendous uncertainty about the future, together with the



ever-increasing concentration of world economic power in the hands of multinational corporations, that all those factors combined make the job of government and the management of the economy very difficult. We stated we did not expect miracles from the provincial budget, but that we did expect this government to come to terms with the human consequences of our economic problems. We established five principles by which we would judge this government's budget.

The principles were as follows: (1) the need to protect the security of Ontario's families from the impact of high interest rates and inflation; (2) the need to defend the poor, the handicapped, the elderly and others at the lowest income levels from a continually eroding standard of living; (3) the need to create immediate jobs through short-term stimulation; (4) the need to create permanent, long-term employment with a serious industrial strategy, not the Board of Industrial Leadership and Development; (5) the need to eliminate the unfairness in the tax system.

We suggested each of these principles must be addressed by specific programs in the budget. I would now like to test the specifics of this Tory budget with the five principles we set out.

To repeat, the first principle was the need to protect the security of Ontario's families from the impact of high interest rates and inflation. Ontario's families are being asked to bear too great a share of the Liberal and Conservative governments' fiscal assault. The Liberals' punitive, high interest rate policy is causing widespread hardship, a hardship that is being borne disproportionately by those unfortunate enough to have their mortgages come up for renewal.

The Treasurer, in one of his backgrounders to the budget, made it clear what the aggregate cost of high real interest rates is in terms of real wage drops, but he ignored what the specific tangible costs of these interest rates are to Ontario home owners and tenants. This budget should have addressed that concern, first, by introducing what we have called for, a mortgage moratorium; and second, by introducing an interest rate assistance program.

A family earning \$25,000 a year, renegotiating a \$40,000 mortgage that was taken out five years ago, is now facing mortgage payments whose effect is to reduce its income by \$2,700 a year. We know this kind of bite out of a \$25,000 income is devastating. We know it has meant and will continue to mean the difference between owning a home and losing it.

Even in those situations where people can maintain their homes, it means a greatly reduced disposable income. The Tory version of "My home is my castle," has become for many families, "My home is my millstone." In order to save their homes they must forgo so much in the rest of their lives.

If each of the families which is negotiating or renegotiating a new mortgage this year pays out an average of an additional \$2,000 a year in principal and interest charges, that represents a loss to the economy of Ontario of \$500 million. That represents a great deal of consumer demand that could have been put into purchases of such things as appliances, furniture and automobiles. It could have created jobs.

The Treasurer and his government have always talked a good line on interest rates. At a pre-election rally in Waterloo on September 11, 1975, the Premier made a promise of a mortgage interest subsidy plan. The Premier was offering help to those families whose mortgage rates exceeded 10 1/4 per cent. The Premier at the time defended the program as a necessary response to Ottawa's high interest rate policy.

Listen to the Premier's words, "This government is not prepared to stand idly by, to give up the housing objectives, and to give up jobs and homes to a federal policy . . ." It is amazing what hypocrisy exists. It is amazing what difference a Conservative majority makes to the people of Ontario.

This government has constantly claimed that in the face of the federal government's refusal to provide interest rate relief this government would act on its own.

For the last two years it has repeated the same song, "We are waiting for the feds." What happens when the feds do not act and it comes down to the wire? Weeks ago the Premier stood in this House and rejected the federal government's interest rate relief program as inadequate. He made it clear that he would not endorse such an inadequate program.

By budget night the government had a change of heart. The Treasurer claimed: "The federal government has introduced a program to help people who have extreme difficulty renewing their mortgages. Since this program was introduced early last month, hundreds of Ontario families have received assistance." It goes on to say: "Little would be gained by a provincial initiative that would only duplicate a program that seems to be working." What a shift in policy. What a shift in thought in the matter of just a few weeks.



The Liberals to my right would probably like to hear and enjoy the praise that was given to the federal mortgage assistance program by this government in the budget. However, it is so typical of these Tories to blame the federal government when it suits them but then to praise it when it gets them off the hook. That is exactly what this is all about.

Two weeks before the budget the Treasurer gave a speech in which he stated: "I want people to believe that Ontario is the province of opportunity. If my budget has any objective it is to restore a sense of hope and optimism in our economic future." He went on to state: "Unlike Mr. MacEachen, I am not one of those who says because his means are limited, nothing can be done. I simply say, here are the tools I have. I am going to work with them within their limitations."

Where is the hope the Treasurer talked about? Where is the optimism in his budget, and where are the tools that he could have used to help the people of this province? For home owners who may lose their homes there is no hope, there is no optimism; it is clear the tools of government have rusted from lack of use.

In our budget proposals, the New Democrats argued that it was necessary to give a clear message to those who are threatened daily with the loss of their livelihood. We argued that the government should make clear its intentions to introduce legislation aimed at providing workers with greater income protection and job security. In particular, we have proposed the following:

One, expanding severance pay provisions to cover all workers in this province who lose their jobs. Two, strengthening advance notice provisions in the event of layoffs. Three, improving pension vesting and portability rights for laid-off workers. Four, improving standard reporting practices for layoffs. Five, establishing manpower adjustment committees to retrain and find jobs for laid-off workers. Six, guaranteeing workers' rights to be transferred to other plants operated by the same employer in the province of Ontario. Seven, providing collective agreement protection in the event of plant relocation.

Finally, and I think the most important in this package, a public justification procedure for proposed plant closures and major layoffs.

The Treasurer must be aware that thousands upon thousands of workers have lost their jobs as a result of plant shutdowns and cutbacks. He must be aware of many workers who have lost their pensions as a result of existing vesting and

portability provisions. He must be aware of the thousands of workers who do not qualify for severance pay under the existing inadequate legislation.

But did the Treasurer say to those workers there is hope, there is optimism and the government will use the tools at its disposal to assist them? The answer is obvious. He did not. He did not use the Employment Standards Act. He did not announce, nor did his Minister of Labour (Mr. Ramsay), that these particular measures would be enacted in Ontario.

In perhaps one of the most misdirected attacks ever on the public sector, the Treasurer stated, "It can be argued that those insulated from job insecurity should not be fully protected against inflation." It is hard to believe that the Treasurer and his government could actually present such a choice to the working people of this province: the choice between job insecurity on the one hand and the reduction of real wages on the other. That kind of philosophy and that position are unacceptable to this party.

**4:10 p.m.**

The budget claims that the government of Ontario continues to regard the control of inflation as a major priority. New Democrats made specific recommendations on this point. We urged the government to translate its legal authority to regulate prices within the province into a concrete legislative responsibility by establishing a fair prices commission. We argued that the commission should have the authority to investigate and to roll back unjustified price increases and to act as an advocate on behalf of Ontario consumers before rate-setting regulatory bodies at both the provincial and federal levels.

The need for a program to cushion families against the impact of rapidly rising prices, particularly for food, shelter and energy, is a glaring failure of this government. The failure of this government is simply reprehensible. Inflation is a complex problem—there is no argument about that at all. However, it can be controlled, and there are steps this government can take. The government's perception of inflation and putting the blame on the working people of this province suggest to us in this caucus that this government has the vision of a Cyclops.

From the government's perspective, inflation fighting means controlling wages. There is nothing contradictory, in the Treasurer's eyes, in telling the people to demand less in their wages but to pay more for everything they consume.



Even the Treasurer—or if not the Treasurer then surely his officials—must recognize that to increase taxes on the average family by over \$300 a year is anything but anti-inflationary.

New Democrats made a plea to the Treasurer. We argued that in tough economic times as well as in good economic times the mark of an effective government is compassion and sensitivity. We urged the government to recognize its obligation to protect Ontario families from the ravages of high interest rates, inflation and recession. There is a considerable cost to such programs, but in my view and in my party's view government must take action. They have the social and public responsibility to do so.

I want to move on to principle two. The principle we outlined was the following: the need to defend the poor, the handicapped, the elderly and others at the lowest income levels from continually eroding standards of living. We are now in a position to judge this government on how it has met the intent of that principle. First, let me reiterate what we expected from this budget, which should have taken the protection of individuals and families as its highest priority. We were very specific in our concerns and in our proposals. This is what we said before the budget:

"Ontario's poor and disabled have been ignored and forgotten by the Conservative government. Periodic increases in benefits have failed to keep up with rapidly rising increases in the cost of living. As a result, over 500,000 individuals are living well below the minimal poverty line."

The 500,000 individuals in this province who are single seniors or who rely on general welfare assistance and family benefits live on incomes well below the most minimal standard of what is required to live a decent life. The government's failure to maintain benefits has resulted in an intolerable situation where it would now require between \$500 million and \$600 million to raise their incomes to the most modest poverty line of \$128 a week for a single person and \$236 a week for a family of three.

The shameful fact remains that injured workers in Ontario are still expected to fight inflation with declining incomes. The compensation pension granted in 1971 has lost 40 per cent of its purchasing power since then. The Conservative budget should have begun to address this injustice by providing substantial catch-up for the injured and disabled workers of this province.

The Conservative budget should have contained other specific programs for Ontario's poor and should have addressed the increasing

poverty gap. The budget also should have contained provisions to address the problems of the working poor.

I would like to comment now on the minimum wage of this province. For a large number of workers the minimum wage is the only income protection they have. In Ontario, those at the minimum wage have found themselves falling behind both inflation and the average industrial wage. For example, since May 1975 the consumer price index has increased 88.3 per cent and the average industrial wage 81 per cent, but the minimum wage has increased by only 45.8 per cent. In May 1975 the minimum wage was 47.1 per cent of the average industrial wage; today it is 38.3 per cent.

The Ontario minimum wage of \$3.50 an hour is increasingly out of line with that of many other provinces. For example, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec and Nova Scotia all have minimum wages that are higher than that of this province. A minimum wage of \$3.50 an hour means a weekly income of \$140, an amount that cannot provide a decent standard of living in Ontario today. The government should provide for a substantial improvement in the minimum wage, while at the same time providing an offsetting tax adjustment to small businesses unable to immediately adjust their businesses to meet the new wage structure.

For women, the importance of establishing in law the principle of equal pay for work of equal value cannot be stressed enough. The marginal status of so many women in the work place is a heavy enough penalty in these recessionary times without at the same time shortchanging them on their weekly paycheques. By being paid wages that are, after all, only fair, many women in the work place who are supporting families or adding a vital second income would enjoy a better standard of living.

Further, it is time the government moved to make universal high-quality child care a reality in Ontario. Too many women are denied the chance to work or are denied career opportunities because affordable child care simply does not exist. Too many children who could benefit from early childhood education are denied it because of cost and a shortage of spaces. There are about 400,000 children under the age of six in Ontario with working mothers, yet there are only 67,000 licensed child care spaces in the province, and only 20,000 of these receive partial or full subsidies. In 1980, a study by the Social Planning Council of Metropolitan Toronto



concluded that in Metro Toronto alone 114,000 new spaces were needed.

The need for child care is obvious; the failure of this government to provide it is glaring. As an immediate child care initiative this government should implement the following program. First, it should establish a \$5-a-day child care space subsidy to all nonprofit day care centres; second, it should establish 10,000 new subsidized child care spaces in Ontario; and third, it should establish a task force to better plan for child care needs in this province.

How well has the Treasurer met the standards we expected? Under income for those on social assistance, instead of increases there are explicit threats, in this budget, that they will not get increases even close to the rate of inflation; under child care, not a single word was devoted to this subject in the budget; under equal pay for work of equal value, there is not a word in this budget; and under minimum wage, again, there are no pronouncements from this government to date.

**4:20 p.m.**

The Treasurer did, however, provide the poor in this province with his own perverse brand of fiscal madness. He gave them higher Ontario health insurance plan premiums. He increased them by 17.4 per cent to \$648 a year for a family.

Instead of increased child care, the Treasurer chose to tax babies' skin care preparations. Instead of raising senior citizens' guaranteed annual income supplement support, the Treasurer chose to tax denture cleansers and denture adhesives. Instead of raising the minimum wage, the Treasurer chose to tax a cup of coffee and a hamburger.

Instead of providing support for the working poor, the province chose to raise OHIP premiums by 17.4 per cent, to tax clothing patterns and textiles and to increase costs for municipalities and school boards, forcing them to raise property taxes. Instead of encouraging employment, the Treasurer chose to tax the labour on repairs to cars.

This budget is so consistently wrong-headed that, if I were kind, I would have to say the Treasurer is only inept, but in fact this budget is the product of a Treasurer who is trapped by his own ideology.

Before I am accused of being partisan—

**Mr. T. P. Reid:** You people know all about that.

**Mr. Cooke:** The member has no principles. He has no ideology. He is all over the map every other day.

**Mr. T. P. Reid:** You cannot have it both ways, David.

**Mr. Cooke:** He should talk to his brother about that.

Before I am accused of being partisan, let me refer to two outside authorities whose credentials in these matters are impeccable. To quote the perennial friend of the working class of this province, the *Toronto Sun* and its columnist David Oved, he stated, "One sick aspect of the Davis government's new budget is that it taxes the working class most heavily, while laying the lightest burden on the prosperous." That is the winners' budget philosophy.

This ideological view of the budget is shared by the *Globe and Mail* as well, in the person of Orland French, who commented: "If you're a tangible success, whether in your personal life or business endeavours, the Conservative government will reward you with money. If not, just ante up when the taxman sticks out his hand and soldier on. . . Life's losers or even those treading water without making progress, need not apply for assistance."

This Treasurer is so transparent in his attack on victims of the recession and the economic crisis that even the most conservative of observers are forced to recognize the inequities and the mean-spirited nature of this budget. It is a sad day when the budget can be so obviously attacked, even by people like David Oved from the *Toronto Sun*.

**Hon. Mr. Davis:** I do not know that David has ever been known as totally objective.

**Mr. Cooke:** He certainly could not be accused of being left-leaning.

**Hon. Mr. Davis:** I never accused him of being right-leaning.

**Mr. Cooke:** I would like to move on to principle three, which was the need to create immediate jobs through short-term stimulation. The Treasurer's main short-term stimulation measure is his renter buy-back program—or renter-buy program.

**Hon. Mr. Davis:** That's better.

**Mr. Cooke:** The buy-back program is another one of his programs which is an utter failure.

**Hon. Mr. Davis:** Keep them straight. I don't want to get confused.

**Mr. Cooke:** The only people who will be stimulated are the Premier's developer friends.

This aspect of the Treasurer's budget demonstrates that this indeed was a pork-barrel budget. The Treasurer has maintained a well-established Tory tradition of rewarding their friends at the expense of low and modest-income earners. The Treasurer's refusal to assist those families which may lose their homes at mortgage renewal time in favour of providing incentives to those who can already afford a home is a clear example of helping their friends at the expense of others in this province.

In this province, there are 32,500 families which may lose their homes because of mortgage renewals. Those who get laid off from Massey, from General Motors, Chrysler or from other companies will also lose their homes. Yet in the face of recession and high interest rates, absolutely nothing was done to assist these people other than to increase their taxes.

The \$5,000 interest-free loan to would-be home owners comes after the fact. A tenant must have a firm contract to purchase and must already have a successfully negotiated mortgage before he is eligible for this new government program. If one is a tenant and can afford a home, the government will lend that person \$5,000. However, if that person is one of the 92 per cent of tenants in Ontario who cannot afford a home, he does not qualify and he need not apply for this program.

Who does this program help? In Toronto, in order to afford an average-priced home, even after the \$5,000 interest-free loan, one would need an income of \$53,000 a year. Does the Treasurer have any idea—and does he even care—how many families in Toronto make that kind of money? The Treasurer may well point out that house prices are much lower elsewhere in the province. That is true. So what does the Treasurer do? He provides a \$5,000 loan to those in Brantford, Windsor or wherever, who can afford a top-of-the-line home which costs \$90,000. In my home town, a \$90,000 home is something a doctor buys, and we know how this government feels about doctors.

**Hon. Mr. Davis:** I know the member's town a little bit and he is not quite right.

**Mr. Cooke:** A \$90,000 home is not a bad home in the city of Windsor these days. The Premier has not been there for a while. Since the last time he was there, the real estate market has collapsed even more. Does the Premier remember when he opened up that industrial park, the one that is still empty? That was three years ago, I believe.

Thanks to the Election Finances Reform Act,

we know in this province who the friends of the Tories are. Thirty-one major Ontario developers donated \$116,000 to the last Progressive Conservative election campaign. The Minister of Municipal Affairs and Housing (Mr. Bennett) alone received donations from Markborough Properties, York-Hannover, Nu-West, Carma, Campeau, Costain and McLaughlin.

**Hon. Mr. Davis:** Costain?

**Mr. Cooke:** I am not a friend of the developers, so I am not sure how to pronounce all these names.

They received \$116,000 from these people and now they are returning the favour. The Treasurer knows who his friends are all right, but he tries to pretend his program is other than just helping his friends.

For instance, in his budget the minister claims, "This program will provide \$75 million for the purchase of 15,000 new homes which represent 38,000 man-years of employment." The implication is that the Treasurer is creating 38,000 new jobs in Ontario. The fact is that his own officials in the lockup would not stick by the 38,000 and said the figure could not be defended.

**Hon. Mr. Davis:** He said 38,000 man-years, not dollars.

**Mr. Cooke:** Pardon me?

**Hon. Mr. Davis:** Never mind. You made a modest error, but go ahead.

**Mr. Cooke:** Didn't I say \$75 million?

The implication is that the Treasurer is creating 38,000 jobs, and the fact is that 38,000 jobs will not be created by this program.

**Hon. Mr. Davis:** Tell us, Michael, that you are not retiring.

**Mr. Breagh:** I am not retiring.

**Mr. Cooke:** Tell us, Bill Davis, when you are retiring.

**Hon. Mr. Davis:** In 1995.

**Mr. Cooke:** Our proposals dealt with the housing and interest rate problem, the critical shortage of rental units in this province and the financial burden of tenants. A comparison of our proposals with those of the Tories is instructive. It demonstrates so clearly the fundamental differences between their party and our party.

4:30 p.m.

We recognize the need to create more reasonably priced rental units throughout Ontario, specifically in Metropolitan Toronto and surrounding areas, as housing that could be afforded by those on low and modest incomes. We



decided against providing developers with incentives to construct rental units, and we decided against providing financial bonuses to those who did not need them.

Instead, we decided to address the scarcity question directly by providing the co-operative and nonprofit sector with the financial means of constructing 15,000 new units. These will not be units that are already sitting on the market as unsold inventory, as are many of the 15,000 this government has announced, but units that would actually create 30,000 jobs.

In addition to our housing construction proposals, we also put forward a program designed to achieve quick results in the area of residential energy conservation. We proposed a four-point program consisting of a free energy audit, loans financed by Ontario Hydro, approval and guarantee of contractors and a complete reinspection. This conservation program would have created between 15,000 and 20,000 jobs in the province in the first year of the program.

It is instructive to compare this program of ours with what the Treasurer has done for energy conservation in Ontario. He has made it more expensive for municipalities to own and repair their public transit vehicles. He has removed the sales tax exemption on thermal insulation materials, storm windows and storm doors; heat pumps, heat recovery units and chillers; solar cells and solar furnaces; windmills and wind-powered generators; time-controlled thermostats; wood-burning stoves and furnaces; and wind deflectors for trucks. He has terminated the rebate for self-built solar heating systems.

**Mr. R. F. Johnston:** Better is best, or whatever the new slogan is.

**Hon. Mr. Davis:** No, best is better.

**Mr. Cooke:** I hope the best still is not to come.

In the budget of 1980, the Treasurer removed the sales tax on certain energy conservation products. In his speech, the Treasurer heralded his own foresight by claiming: "A central thrust of Ontario's energy policy is to reduce the consumption of fossil fuels by developing new conservation measures . . . Tonight I propose a number of new tax incentives to promote energy conservation."

Two years later, and after an election in which the government received a majority, the government has obviously changed its policy and decided that energy conservation is no longer a priority.

The other measures, which the Treasurer so

proudly calls "employment creation," are equally bankrupt of any substance. The co-operative projects employment fund is a fancy name for a share of the unemployment fund. Instead of being proud, the Treasurer should be ashamed to be calling it a job creation program, since all it does is share the misery of unemployment. What a devastating spectacle it is to see the Treasurer extol a program that shares unemployment rather than one that creates jobs in Ontario.

**Hon. Mr. Davis:** He didn't really extol it.

**Mr. Cooke:** It sounded that way to me and to the people of this province.

**Hon. Mr. Davis:** You're an academic.

**Mr. Cooke:** No, I am not an academic. Social workers have never been called academics—just lawyers.

As well, the Treasurer has announced the acceleration of capital projects. That seems fine. If we are, in fact, accelerating capital projects—

**Mr. Martel:** What about lawyers? What have they been called?

**Mr. Laughren:** Are there any lawyers not disbarred?

**Hon. Mr. Davis:** Mr. Speaker, I wish members would not heckle their own speaker.

**Mr. Cooke:** How much longer is the Premier sticking around?

**Hon. Mr. Davis:** I said until quarter to five.

**Mr. Cooke:** That was an hour ago. I want the Premier to stick around to hear our no-confidence motion.

**The Acting Speaker:** Order.

**Hon. Mr. Davis:** Well, you've got six minutes.

**Mr. Cooke:** I will not be done in six minutes. Stick around for about 16.

**The Acting Speaker:** Order.

**Mr. Cooke:** On one hand this government encourages municipalities and school boards to get into capital projects, but on the other hand it is going to be taxing the materials they will need to proceed with those projects.

The program for youth employment is embarrassingly inadequate. Given the tremendous need, with more than 16 per cent of our young people unemployed, the Treasurer has resorted to announcing programs, some of which were announced a number of months ago and for most of which the application deadlines have already passed.

I quote the co-ordinator of the youth secretar-

iat's employment program: "Students are out of luck if they hope to get a summer job with the government and have not already applied. The Ontario youth employment program may have a few openings left, but for others the applications are now closed."

Last Thursday, the Treasurer pretended these programs were part of a new short-term job creation package, yet this obviously is not the case. Even when dealing with the measures announced in the agricultural areas, the Treasurer is reduced to counting last year's expenditures as if they were part of new initiatives. In fact, only \$11 million is being provided in new funds this year to one of the hardest-hit sectors in our entire economy.

The entire package of short-term programs announced by the Treasurer is a sham, is devoid of content and devoid of imagination. It is long on rhetoric but short on substance and action. The unemployed in this province deserve better than a rehash of old programs.

Principle 4 is a need to create long-term employment with a serious industrial strategy.

**Hon. Mr. Davis:** That's right. Nationalize.

**Mr. Cooke:** You don't have an industrial strategy.

**Hon. Mr. Davis:** Yours is to nationalize the auto industry.

**Mr. Cooke:** That is absolutely silly. Stuart Smith called for nationalization of the auto industry, not us.

**Hon. Mr. Davis:** So did you.

**Mr. Cooke:** No, we haven't.

**Hon. Mr. Davis:** You call it another name.

**Mr. Cooke:** We will send you our program.

**Mr. Breagh:** The difference between you and us, Bill, is that we would like our country to nationalize it, not France.

**Mr. Cooke:** That is right.

**Hon. Mr. Davis:** Listen, I am going to tell that to the fellows at American Motors.

**Mr. Cooke:** How do you feel being the member who represents the workers who work for the only state auto company?

**Mr. Breagh:** You should have been embarrassed to ride off that assembly line with that Socialist, just because he kept your plant going.

**Hon. Mr. Davis:** The guys on the line know more than you do.

**The Acting Speaker:** The Premier will allow the member for Windsor-Riverside to continue.

**An hon. member:** Oh, he named the Premier. Throw the bum out!

**Mr. Martel:** The Tories' type of socialism is to buy a noncontrolling share of Suncor.

**The Acting Speaker:** Order. The member for Windsor-Riverside has the floor.

**Mr. Cooke:** Thank you, Mr. Speaker. If my House leader would shut up.

**An hon. member:** Let the record show.

**Mr. Cooke:** I heard that. Hansard had better not record that.

**Mr. R. F. Johnston:** Hansard will record it.

**Hon. Mr. Davis:** Oh, we'll make sure it does.

**Mr. Cooke:** Ontario's unemployment line now extends 325 miles. The cost to our economy of unemployment is now \$17 billion on a yearly basis in terms of lost production, lost purchasing power, lost tax revenue and the cost of unemployment and welfare benefits. That is a staggering amount of money to be lost from the economy of this province.

The Treasurer talks about new opportunities, of economic recovery in Ontario as if it could be accomplished by some statistical sleight of hand. By some quasi-magical projection he says that the Ontario economy should strengthen during the balance of the year, that real growth for the gross provincial product in the second half of 1982 will be four per cent on an annual basis.

The Tory government has been waiting for this recession to end ever since the first one began in the early 1970s. My party has made the case before. We have argued strongly—

**Hon. Mr. Davis:** Obviously with great success.

**Mr. Cooke:** It is coming, it is coming.

**Mr. Martel:** We didn't have \$9 million, like your slush fund.

**Mr. Cooke:** We can say we are on the move with confidence. We have seen the polls. We know where they are going, and we know what is going to happen to the Tories after this budget.

4:40 p.m.

My party has made the case before. We have argued strongly and consistently for an economic strategy based on permanent job creation, regional development, public sector investment and industrial restructuring. We have argued that the government must use whatever tools are at its disposal to deal with the problems, and on many occasions we have detailed



specific proposals for particular resource and industrial sectors.

Years of government neglect have led us to the point where the economy of Ontario is under siege. Branch plants are withdrawing, domestic industries are unable to withstand the onslaught of foreign competition, private sector reinvestment is falling short of what is needed for retooling, and product innovation and changing patterns of international investment are leaving Ontario's industrial base vulnerable to future economic shocks.

Ontario's economic troubles will not be resolved when the recession in the United States ends. Canada's relationship to the United States is such that, in economic terms, when the United States wins, we lose, and when they lose, Ontario really loses. The seriousness of the economic crisis necessitates the dramatic re-evaluation of existing economic policies and programs. Old solutions, such as encouraging more foreign investment, offer little hope to Ontario. New programs and policies, such as megaprojects and global product mandating, are equally limited in their ability to turn this economy around.

The Board of Industrial Leadership and Development program is this government's substitute for such a strategy. The major weakness of BILD is that it is long on political rhetoric but really short on substance. The budget provided a clear indication of BILD's inadequacy.

The goals of BILD are well known, as they should be, considering that this budget had reannounced BILD for the fifth or sixth time. BILD is supposed to launch Ontario "upon a massive industrial expansion program aimed at creating jobs, reducing inflation, increasing trade and improving productivity." BILD is supposed to "revitalize communities, build on our natural resources, restructure our manufacturing sector, develop our energy potential, build on our cultural foundations, upgrade tourism and propel Ontario into the 21st century of research, development and high technology."

That is what BILD is supposed to do. The budget has added yet another goal to BILD: "the co-ordination and administration of the government's employment stimulation program."

This government must be glad there is no law that calls for government in Ontario to advertise truthfully, because if there were such a law, surely the government that advertises BILD, this government, would be in court for false advertising. BILD is supposed to accomplish all

this with a budget allocation of only \$170 million. Compare that to the budget decision to spend \$250 million by eliminating the corporate income tax for profitable small businesses.

Ontario's economic health will not be restored until we break out of the rigid cycle of resource exploration and industrial dependence. Giving free reign to the corporate sector to determine the direction and pace of economic development in Ontario will only reinforce the underdevelopment of Ontario's manufacturing capacity. Ontario's problems will not be resolved until we come to grips with two facts of economic life: (1) that foreign ownership has truncated the growth of our industry; and (2) that foreign ownership has left the Ontario and Canadian markets for manufactured goods wide open to imports.

Our budget proposals outlined a \$450-million investment program that would begin to address these problems, with outline proposals for the automotive sector, the machinery sector, food processing, energy development and resource development. We do not claim that such programs will transform Ontario's economy overnight. We realize only too well that 39 years of Conservative government have left us with a major task of industrial restructuring. But we do know where to begin, and we know what our principles and priorities are. We do recognize the need for government leadership and initiative. Above all, we do—

**Hon. Mr. Davis:** Off to Vegas.

**Mr. Cooke:** The Premier is off to Vegas? Is he going with the Treasurer to Japan?

**Hon. Mr. Davis:** Oh, no. I'm taking your money to Vegas.

**Mr. Cooke:** Oh, I'm sorry. Play monopoly with it. That's great.

We do recognize the need for government leadership and initiative. Above all, we know what the vague and ever-shifting goal of the Conservatives is that of restoring a climate of confidence. We know what that means. It means suffering for the ordinary people of this province.

I might just point out, as the Premier is leaving, that maybe he can at least try to get the parliamentary assistant in here, a cabinet minister or somebody. There will be a continuing budget debate after I am finished, and perhaps the government could show a little respect for the Legislature.

The fifth principle we outlined in our budget proposals was the need to eliminate unfairness



in the tax system. In 1960, for every dollar collected in personal taxes, \$1.79 was raised in corporate taxes. With this budget, for every dollar raised by personal taxes, only 14 cents will be raised by corporate taxes.

This huge shift in the burden of taxes, which penalizes families at the expense of corporations, has become especially pronounced in the last few years. For example, as a result of the last three budgets, revenue from personal income tax has gone up 56 per cent, revenue from OHIP premiums has gone up 32 per cent, and revenue from retail sales tax has gone up 43.5 per cent. At the same time, revenue from corporate income tax has declined 29 per cent and revenue from mining profits has declined 75 per cent.

This budget also shifts the burden in another way. Not only does the unprecedented elimination of exemptions under the Retail Sales Tax Act attempt to shift taxes on to the consumers directly but also the impact on municipalities and school boards will surely mean either higher property taxes or a cut in services. Why are we in a position today where the only response a Conservative government has to the recession is to increase taxes on people and shift them to municipalities, school boards and universities, colleges and hospitals? I suggest, by taking a broader perspective, we can begin to understand the response of this Treasurer.

I have already pointed out that much of the weakness in Ontario's economy is its structural imbalance and the dominance of branch plants in our manufacturing sector. As the recession deepens and as foreign firms begin to withdraw by shutting down plants in Ontario, the Conservative response has been twofold, as it has been when the economy deteriorated in the past. The decline in revenues resulting from lack of economy activity spins them into looking for new sources of revenue; thus we have increased personal income tax, OHIP premiums and retail sales tax. At the same time, the decline in economic activity and the rise in unemployment gives them political concern. The only way they can respond is by attempting to bribe the private sector to invest by giving them grants and tax incentives. These giveaways, which are an extremely poor way of stimulating the economy, also mean a serious loss of revenue for the government.

This same scenario has been played out by the Liberals at the federal level. The fiscal crisis of the federal government is a result of the weakness of the national economy. The Liberal

policy of corporate handouts has prompted them to shift the burden of taxation on to families and the provinces. To his dismay, Mr. MacEachen has found that shifting the burden is not politically painless. I believe the Treasurer of this province will also find that his shift of taxation to moderate- and low-income families, to municipalities, to school boards, to colleges and to universities will not be politically painless either.

**4:50 p.m.**

I would like to take a closer look at what this budget has done by its primitive and regressive tax measures. Before I do, I want to take a few minutes to deal with our proposals for tax reform which we outlined on May 6.

We advocated several measures of tax reform and review. We advocated those measures because of the unfair and regressive nature of Ontario's tax system. I have already pointed to the disparity between personal and corporate taxes in this province.

The tax impact of this budget on families is severe. We estimate that the average family will pay at least \$305 more in taxes this year than it did last year. That does not include the effect of property taxes which will result because of the assault of the budget on local governments.

Even before this budget, Ontario families at incomes up to \$20,000 were the highest-taxed in all of Canada, while at the \$25,000 and \$30,000 income level we were only exceeded in taxation by Quebec.

We proposed a five-year program of phasing out OHIP premiums, with a reduction of 20 per cent the first year. The Tory response was instead to raise OHIP premiums, a regressive tax, by 17.4 per cent.

We called for a tax credit system to replace the present premium assistance plan, but this budget does nothing to change the inadequate program that exists. We called for an enriched property tax credit, but the budget gave us additional expenses for the local government sector which will force property taxes even higher.

We called for a full-scale review of all tax expenditures, but this budget instead gave us an across-the-board increase in tax giveaways. The scatter-gun approach is best exemplified by the \$250-million tax holiday for small businesses that are incorporated and profit-making. Instead of taking that money and targeting it on the areas where it is needed, this Treasurer has instead chosen to grandstand and give taxes



back to business where it does not need the break.

The Treasurer has indicated that 10,000 jobs will be created by this \$250-million tax expenditure. The fact of the matter is that, since there will be about 4,000 small businesses that will go bankrupt in this province because they will not receive assistance from this government, we will lose 18,000 jobs, for a net loss of 8,000 jobs, even if the optimistic figure of 10,000 jobs created comes true.

Our budget proposals indicated a number of areas where tax giveaways should be re-examined. We pointed out that untaxed capital gains resulted in lost revenues of \$205 million. The dividend tax credit is \$186 million. There are lost estate taxes of up to \$75 million. These are all items that benefit the richest groups in our society and add to the burden of taxation for the rest of us. They should be assessed to determine whether they have contributed in any positive way to the economic development of this province.

Instead of tax reform, this budget gives us increases in the most regressive ways imaginable through increased health premiums and increased sales tax payments. Instead of beginning the process of reform, this budget leaves us deeper in the inequities of the past.

**Mr. Jones:** I don't believe this.

**Mr. McClellan:** The member for Mississauga North (Mr. Jones) is not allowed to speak.

**Mr. Cooke:** The member has not been here for most of the afternoon.

**Mr. McClellan:** Read the instructions. You are not allowed to talk.

**Mr. Jones:** You think people are going to believe that—

**Mr. Cooke:** I will tell the member what is happening out there right now. People do believe it, because day in and day out the ordinary family will be seeing the \$305 they are going to have to pay through the government's sales taxes. They will be reminded time and time again right up until 1985.

Instead of distributing the tax burden more fairly, this budget punishes middle- and low-income people. Instead of being progressive, this budget regresses to the point where Ronald Reagan would indeed be proud. Instead of being bold, imaginative and compassionate, the tax measures of this—

Interjections.

**Mr. Martel:** So you can invite Ronald Reagan back.

**Mr. Cooke:** Ronald Reagan is not right-wing enough for the member for Mississauga North.

Instead of being bold, imaginative and compassionate, the tax measures in this budget are mean, petty and narrow-minded. In putting forward our budget proposals, we suggested that in this time of deep recession, government must create short-term jobs through short-term stimulation and must come to grips with the long-term structural economic problems. In response, this government has diminished considerably the spending power of literally thousands upon thousands of middle- and low-income families, created only 31,000 jobs and demonstrated that it is paralysed as a government.

Perhaps the unfairness of this budget is best illustrated by the fact that a family with considerable financial means can now go to La Scala or Winston's, order a fillet and pay less tax than they did before this budget came down; however, a family of ordinary means must now pay seven per cent more on a hamburger and French fries or a pizza, and even on a pizza they will have to pay for the transportation to have it delivered to the house. And that is what the member for Mississauga North calls a fair tax.

The Treasurer says he knows who his friends are, and this budget clearly shows all the people of this province who the friends of the Treasurer are. My party's budget proposals addressed the short- and long-term problems in Ontario's economy. They did not promise instant solutions, but they did recognize that government initiative was required. This government's budget, however, proves that the Conservatives are tired, helpless and hopeless; they lack the ability to break new ground, and they refuse to break out of their ideological straitjacket. This budget simply does not measure up, and we in this caucus cannot support it.

**The Acting Speaker:** Mr. Cooke moves, seconded by Mr. Martel, that the amendment to the motion be amended by adding thereto:

"This House rejects the massive shift in the burden of taxation to those least able to afford it. Specifically, this House rejects the elimination of exemptions from sales tax for many essential items and the massive increase in OHIP premiums; further, this House regrets the absence in the Conservative budget of

"(i) Adequate programs to assist the 32,500 home owners facing the loss of their homes because of Liberal high interest rates;

"(ii) Adequate programs to assist tenants whose rents are increasing substantially because of increased finance charges to landlords as a result of Liberal high interest rates;

"(iii) Adequate programs to assist the thousands of small businesses in this province that are suffering because of Liberal high interest rates;

"(iv) Adequate programs to help farmers in this province who are also suffering because of Liberal high interest rates.

"Further, this House rejects the Liberal and Conservative philosophy of only helping the so-called winners in our society, thereby ignoring the more than 500,000 people in this province living in poverty, namely, those on family benefits, disability pensions, workmen's compensation benefits and single pensioners receiving Gains; and this House regrets the absence of any program to create adequate numbers of short-term jobs or adequate programs to correct the structural problems within the economy to enable the creation of long-term jobs.

"Further, this House regrets the fact that the government refuses to introduce legislation to improve the economic status of women, namely,

"(i) Equal pay for work of equal value legislation

"(ii) Affirmative action legislation.

"And this House regrets that this government has not taken steps to provide for universal access to quality child care.

"Finally, this House rejects the additional cost imposed on hospitals, colleges, universities, municipalities and school boards which will, in effect, eliminate the additional provincial grants announced earlier this year, and will also result in a decrease in services and increased property taxes.

"For these reasons, the government no longer enjoys the confidence of this House."

5 p.m.

**Mr. R. F. Johnston:** I have two points of order, Mr. Speaker: The first would be to ask you to read it again, because you did it so well.

The second would be to move the previous question.

**Hon. Mr. Ashe:** The only good parts were the high interest rate bits.

**Mr. Acting Speaker (Mr. Cousens):** I recognize the honourable member for Oxford.

**Mr. Treleaven:** Mr. Speaker, I take it you did

not deign to rule upon those two points of order and therefore, I may proceed. Is that correct?

**Mr. Elston:** No, we want a ruling.

**Mr. Treleaven:** I would like to speak on the second of the two budgets we have heard about.

**Ms. Copps:** Did he answer the question?

**Mr. Treleaven:** Yes, I believe he did.

There are two budgets. There is the one we have heard the Liberals and NDP address their remarks to and the one I have listened to and studied and believe is an excellent budget. I wish to address my remarks to that second budget.

Since the budget last Thursday night I have heard basically three comments in the riding of Oxford. Two of them are good and one is what one could call a complaint. The good comments are that the small business provisions are very strong, very good and very positive and that the renter-buy program is certainly a move in the right direction. It is receiving wholesale approval from the building industry in Oxford.

One could call the third type of comment I hear annoyance. It comes from people who have never before had to collect retail sales tax; or perhaps have not had vendors' permits and are now required to charge up to London to get these permits; or who are confused about which tax was imposed on May 14 and which on June 14. That is certainly an annoyance. None of us like taxes, that is human; but certainly annoyance is a very small price to pay for the good portions of this budget.

I would like to deal, quickly, with only three portions of the budget. The first is that portion dealing with small business and the two-year tax holiday to incorporated small businesses.

I would like to refer the members to the letter dated May 14 from the Canadian Federation of Independent Business, and to the article by Ronald Anderson in the Globe and Mail Report on Business of May 18, headed, "Pro-business Budget Refreshingly Different."

**Mr. Cunningham:** Read the Saturday editorial.

**Mr. Treleaven:** Certainly. Of what paper? I really do not get past the Woodstock-Ingersoll Daily Sentinel Review, the Norwich Gazette and the London Free Press.

**Mr. Cunningham:** Read the Globe and Mail's Saturday editorial.

**Mr. Treleaven:** I am the member for Oxford and can only read so many papers. The minor



ones of Toronto must take third and fourth position in my reading order.

Finally, I would like to refer to the Toronto Star article of May 18—

**Ms. Copps:** Which one is more minor, the Globe and Mail or the Star?

**Mr. Treleaven:** Compared with newspapers serving the magnificent riding of Oxford, all Metro Toronto papers would have to be considered secondary.

May I also refer to the article in the Toronto Star of Tuesday, May 18, headed, "Zero Tax Seen as Business Stimulant."

I have heard my friends to the right of the opposition refer to the people as "winners" in this budget. I do not think the people affected by the budget should be referred to as winners but, rather, as creators and createes: the creator being the one from whom the benefit flows and the createe being the one to whom the benefit flows.

My friends across the way are dealing with the budget in total isolation. I would like to regard the budget not as a single instance but as one of a series of events which began perhaps six months ago. The budget is now an event that will carry on over the next six months. As a result, the budget is just one continuing document in the finances of this province.

I could mention the Ontario farm adjustment assistance program. Had that not come out last December, surely there would have been some similar program or one in replacement at this point. Therefore, one should not take the budget in isolation, as a document standing entirely on its own.

At this point the major thrust of the budget and the major need in Ontario is for job creation. At this point the budget has addressed itself to job creation primarily. This can best be achieved by encouraging the creators.

**5:10 p.m.**

Now, if the \$460 million—and I am not going to break the figure down; there is not sufficient time, but the figures are there. The \$460 million has been given to the creators; if that money had been given to the createes, the majority of it simply would have filled the coffers of the banks; very little job creation would have been stimulated. Therefore, since the emphasis must be on job creation, the funds and the encouragement must be given to those creating the jobs, not to those who will be nothing but funnels or conduits for the funds through to the

banks, paying off interest and interest arrears, if you will.

**Ms. Copps:** What about the farmers?

**Mr. Treleaven:** The farmers have received \$117 million in the last six months.

**Ms. Copps:** Just conduits, eh?

**Mr. Treleaven:** In some cases they are. At this point they are createes. There are funds being created for them: \$117 million for the cow-calf program, the Ontario farm adjustment assistance program, etc. of last fall and winter. There is also \$11 million there for the farmers.

At this point they are createes. The farm community would not be terribly unhappy if corn and soybeans went up \$1 a bushel and interest rates, which are under the federal government, fell three or three and a half per cent. The farming community would not be unhappy, provided that hogs and beef stayed at their current market price.

The government cannot afford both of these programs. There is \$416 million going to the creators to create jobs. There is a total of \$288 million going to the createes, either now or it has done in the recent past. The government cannot afford both of these programs. It would certainly cost towards \$1 billion; it cannot be dealt with at this time.

I will expand now on the \$250 million that is going to small business under the tax holiday. First, I might point out that this government has not followed the federal government in reducing the capital cost allowance to one half. It is leaving \$135 million in the hands of small business for job creation by leaving the capital cost allowance or depreciation rates as they are and not cutting them in half, as the federal government did in its November 1981 budget.

The \$250 million that is going into small business is not just \$250 million; it is a figure larger than that. In the past, one of the major reasons for incorporating a small business was to average out income between the salary and dividends one takes from the corporation. In the past, they attempted to average it out at 25 per cent through the taking of dividends and salaries. With 10 per cent now dispensed with by the provincial government, if I may put it that way, we now have a situation where we are trying to average the federal government's 15 per cent between dividends and salaries.

Therefore, it is not a matter of just the 10 per cent in dividends or income that the corporation makes; we are also going to gain 10 per cent on the salary side. You are going to get 10 per

cent coming down, an average of dividends and salaries, which will therefore increase the \$250 million to a very much higher figure.

The next thing that can expand the \$250 million is the capital cost allowance that corporations normally take. At this point the provincial capital cost allowance parallels the federal, the rates being the same. Provided that the federal government does not take some step to fill the void in reaction to what the province has done to assist small business, no one can dictate to a corporation what capital cost allowance it will take or when it will take it, subject to its limits.

A corporation can determine what depreciation it wishes to take, whether it be zero or up to the top of its level. Therefore, if it has a two-year tax holiday at 15 per cent, after the two-year term, it will be back at 25 per cent—or 11 per cent and 21 per cent in the case of manufacturing, farming, fishing, etc. It can, quite legitimately, defer and claim no capital cost allowance for two years, thereby increasing the profit in the corporation and paying on a higher profit at 15 per cent or 11 per cent, as the case may be, and leave the capital cost allowance for the end of the tax holiday when it will be up to a 25 per cent rate, but it will have higher writeoffs through the increased capital cost allowance.

This is quite proper. A corporation can choose for itself when it claims the capital cost allowance. Therefore, the \$250 million will be greatly increased to X million, I do not know how many million, dollars.

The second subject I would like to refer to is government restraint. In Oxford county, I have had several comments about the size of government. There are certain zaps one gets and that is perhaps a major one. I beg your pardon?

**Mr. Grande:** You were talking about the creators. Now you are talking about what?

**Mr. Treleaven:** Now I am talking about government restraint. While the province's population has grown by six per cent during the last seven years, the Ontario government's civil service population has decreased by six per cent.

**Mr. Swart:** Lots more people out of work, eh? Isn't that great.

**Mr. Treleaven:** In Oxford county, higher priority is given to restraint in the civil service than to creating jobs for the sake of creating jobs. Perhaps my friend the member for Welland-Thorold (Mr. Swart) and I differ philo-

sophically on that and perhaps Welland and Oxford counties also differ philosophically.

**Mr. Swart:** We want jobs, you don't.

**Mr. Treleaven:** Now that is quite foolish, Mr. Speaker. The people in Oxford county want jobs as much as the people in Welland want them and are suffering from the current Liberal policies as much as the people in Welland are.

At the same time, one public service employee now serves 106 taxpayers; this compares with 94 in 1975. Again, this shows government restraint, a paring of the fat the Liberal leader likes to refer to. There has been a 13 per cent increase in efficiency by this government in that period of time.

**Ms. Copps:** A 400 per cent increase in deficits.

**Mr. Treleaven:** I find it very difficult to comprehend when a Liberal refers to increases in deficits and increases in the financing costs of carrying our accumulated budget; these costs are over 40 per cent in our federal budget. I find that strange coming from people of the Liberal philosophy. Perhaps that is not the Liberal philosophy; perhaps that is the small "c" conservative philosophy of the majority of the Liberal members of this House.

Since the inception of Ontario's deregulation policy in 1979, 45 government agencies, boards and commissions have been eliminated. That is a net figure. That shows responsibility in trimming the fat by this government. This is a serious matter in Oxford county. I cannot speak for other ridings.

On the question of restraint, I would point out this government's recommendation of six per cent; the request that will come to the members of this House and to senior civil servants, for raises of six per cent and not higher.

**Ms. Copps:** What about all the parliamentary assistants who are getting paid and can't answer questions in the House? The Minister without Portfolio (Mr. Gregory) and 62 freebies over there.

**Mr. Treleaven:** Of course, not all the members on this side are parliamentary assistants with extra salaries and incomes.

The last item I will refer to is the renter-buy program.

**Mr. Swart:** I would tell you to quit while you are ahead, but you are not ahead.

**Mr. Treleaven:** I enjoy the member for Welland-Thorold. He is always interesting in



committee and I find him stimulating there and here.

My last point I would like to talk about is the renter-buy program. This has achieved a very positive effect. The night after the budget was announced, the president and vice president of the Housing and Urban Development Association of Canada were in Woodstock at a meeting which I attended. They were profuse in their compliments regarding the new renter-buy program. One was from Newfoundland and the other was from Winnipeg.

5:20 p.m.

**Ms. Copps:** Did you say obtuse or profuse?

**Mr. Treleaven:** Profuse. The young member for Hamilton Centre seems to have hearing problems with certain words: profuse in their compliments.

Members could refer to the Toronto Star headline, "Interest Free Home Loans Set Off a Deluge of Calls." I understand from the Minister of Municipal Affairs and Housing (Mr. Bennett) that one builder in Metro Toronto entered into agreements for the sale of 50 homes over this past weekend. That was more than the total number the same corporation had entered into this calendar year prior to the program—

**Mr. Boudria:** Tell us how many people who are losing their homes are helped by that plan. That is what I want to hear.

**Mr. Treleaven:** Mr. Speaker, again I stated this is a stimulative budget for the creators. My friend wishes to speak of createes, I am on the subject of creators.

**Mr. Philip:** How about the creators who created homes and can't sell them?

**The Deputy Speaker:** Order please, the honourable member has the floor.

**Mr. Treleaven:** While I have no expertise with regard to stock market matters, I did notice that on Tuesday, May 18, the only indicator which rose on the Toronto Stock Exchange was real estate. All of the other indicators fell heavily. Real estate rose on the Toronto Stock Exchange for no other reason than that this government's budget with the renter-buy program was stimulating the real estate market.

May I also compliment this government, the Treasurer and the Minister of Municipal Affairs and Housing for streamlining the processing of the renter-buy loans.

My friend the member for Huron-Bruce (Mr. Elston) will certainly be interested in the streamlining of these loans. I know he is very familiar

with many of the loan and mortgage processing matters, whereby one sends draft mortgages and requisitions for cheque forms and surveys and surveyors, on and on. The mails get full with that type of thing.

Here there are several good features. I did not realize at the beginning, but mobile homes are covered under this renter-buy program if they are on land that is covered by a lease of at least 15 years. They will take third mortgages, not just second. Of course, the loan is secured by way of mortgage. They will take a third mortgage if the second is a take-back mortgage by the vendor.

There are really five simple streamlined steps, Mr. Speaker. As a solicitor who recently practised, especially in an urban area, you will certainly appreciate the streamlining of any mortgage transaction. There are really five steps.

The first step is that when an offer to purchase is signed, an application which most builders have is completed. If there is a mortgage approval form from the first mortgagee or a consent or approval to assume, those three documents are sent to the ministry. They are examined and then comes the second step; five very easy documents to follow.

This is a situation where the people are createes but the building industry is the creator.

**The Deputy Speaker:** We have a point of order from the member for Oakwood.

**Mr. Grande:** Actually, Mr. Speaker, it is just to get a clear understanding of what the member is talking about when he says creators and createes. Is he relating them to masters and servants, by the way?

**Mr. Treleaven:** No, of course not. I am referring to job creation, job creators and job createes or benefit createes. Those to whom the benefits flow are the createes.

**Mr. Wildman:** That's all very nice but you not very creative.

**Mr. Treleaven:** May I continue with this procedure?

It is simplified when these documents are sent back by the Ontario Mortgage Corp. to the solicitor for the purchaser who is already doing many searches for the purchaser. It is simply a tag-on. There is a mortgage form, an affidavit of bona fides, a retainer, "I will act," and an instruction sheet which also includes a certificate of title. It goes back and that is the end of it until two days' notice for the cheque to be



wired. Money is either wired or couriered to the solicitor for the purchaser; two days only.

The member for Grey-Bruce (Mr. Sargent) will certainly know that when the government and the bureaucracy say cheques will be there in two days, who else can one believe?

**Mr. Elston:** Did you say two days for the money to be wired and ten years for the buyer to be wired?

**Mr. Treleaven:** No, two days' notice and the money will then be wired if it is out of Metro Toronto and couriered if it is within Toronto.

Then the final step takes place. The solicitor has the funds in hand—

**Mr. Boudria:** Why don't you readminister your senior citizens' tax grants?

**Mr. Treleaven:** Thank you; I do not need even that.

Then there is one last step whereby the opinion on title is sent back from that solicitor with the duplicate original mortgage and his opinion on title and details of insurance. That is done. No insurance policies or surveys are required. There is no back and forth; it is streamlined. The government is to be complimented on devising the streamlined method for this. It is a great program.

**Ms. Copps:** Who devised this streamlined speech? I hope it was not the government.

**Mr. Riddell:** What about the farmers in your riding?

**Mr. Treleaven:** I referred to the farmers getting the \$11 million now and \$117 million before. As my friend the member for Huron-Middlesex (Mr. Riddell) well knows, it is expected an entering farmer or junior farmer program will be coming this fall. If he would take that period of time, of several months in the past and several months in the future, together with the budget, he would find the farmers are getting the \$128 million, past and present, and \$X million in the future; plus, remember the tile drainage was raised to \$30 million, the highest it has ever been.

Thank you, Mr. Speaker, for permitting me to address the House on this most excellent budget. I hope the succeeding speaker similarly recognizes the merits of it.

I have one more comment. I was going to lead off my remarks with some negative and disapproving comments about the bells ringing last weekend. However, having done that this morning in committee, and as an indirect result thereof I did get my shirt buttons examined, I thought it better not to repeat that today. I have

deferred from that, so I will not upset any of my friends across the way.

**Mr. Ruston:** Mr. Speaker, I do not know if one would classify it as an honour to be able to get up to speak on the budget presented on May 13 in this House. In my short term here in the Legislature, and in my short life of following politics in the United States and Canada, I have to think this is about the worst budget I have seen in my life.

5:30 p.m.

**Hon. Mr. Gregory:** Is it worse than MacEachen's?

**Mr. Ruston:** I think it hit at the very heart of people's ability to pay, a policy which has no rationale at all.

Before I go on, I am going to say one thing. I disagree completely with the problems going on in Ottawa, but I just had an interjection over here about Mr. MacEachen's budget. Two or three fellows came to me after that budget—and, of course, some people get confused as to whether they are in Ottawa or Toronto; I am sure others get that once in a while—and one of them said his cheque at the end of January was \$29 more than it had been at the end of December, thanks to Mr. MacEachen's budget.

He said: "That is typical of the Liberals in Ottawa. They are so dense they do not think of putting out the word when they are doing something for somebody. Then, of course, everybody finds fault with other parts of it." So they did not get the word across. Anyway, I think there were about 10 million people who got a little more money from MacEachen's budget. Of course, the interest rates kill all of the effect of that, as we all know.

The leader of the Conservative Party in Canada said the other day in Montreal that he had no answer to the present interest rate policy of the Liberal government in Canada and he had no recommendations to make. I think there was a member from Toronto here, a Conservative member of Parliament—someone mentioned his name, Mr. Michael Wilson—who was supposed to be one of the stars of the Conservative Party of Canada, and he too says the policy Mr. Reagan is following in the United States is proper.

We do not have any New Democratic parties in power in the vicinity to know what their policy might be. I heard one fellow say he thought interest rates should be six per cent. He was a New Democrat, and I said to him: "You had better tell your mother and father that. If



they are living on a pension and living on some of the savings they have accumulated over the years, when inflation is 11.5 per cent they cannot exist on six per cent interest." So there is a conflict there, depending on how one looks at it.

Anyway, I am not dealing with the federal government and I am not dealing with the United States government; I am dealing with the government of Ontario. They have responsibility for over eight million people, and I am dealing with their budget.

If we look over the budget for 1971, when the present Premier (Mr. Davis) took over—this book only goes back to 1973-74—they have a strange way of putting it. Darcy used to call it "net cash requirements." I said this to a fellow the other day, and he said, "What the hell are you talking about?" I said: "You do not know what net cash requirements are? If you went into a store and bought something for \$30 and you had \$20 in your pocket, you would have a net cash requirement of \$10." He said, "I could not buy it." I said: "Maybe you could not, but the government can. That does not make any difference to them because they have this net cash requirement and they do not worry about whether it is met at the end of that year or whatever year." It has not in Mr. Davis's 10 or 11 years in power; he never did know what that word meant.

In the Treasury office he has a fellow working for him now by the name of Mr. Conklin. He was a federal Conservative candidate in 1979 and he was defeated. The day after the federal election I was driving my nephew's tractor. We have earphones to put over our ears, with a little radio so the noise of the tractor does not bother us. I was listening to the radio all day, and all Mr. Conklin could talk about the day after the election was the terrible way the newspapers had treated him as a Conservative candidate—in the riding of Kent-Essex I believe it was at that time.

Now he is working for the government of Ontario. His father was a Conservative candidate back in Essex South many years ago, a very active businessman. He ran a number of lumber companies in the area and had a branch in the little village of Woodslee, where I was in the hardware business. Mr. Conklin used to come in once in a while and compare the price of his nails, or whatever he was selling, to mine. We would have a little chat. I had occasion at times to do some business with him.

The day I was elected in 1967, one of the first

telephone calls I had the following morning was from Mr. Conklin, to congratulate me on my victory. He said: "Dick, I wish you would tell those fellows in Toronto that the way governments are supposed to work is when times are good they should have a surplus. The people will pay. After all, we know there are no trees growing money in Toronto or in Ottawa. We have to make the people understand that. Tell them we would then have some money when times get tough, and the government could come in and pump-prime." The trouble is with the stupidity—

**The Deputy Speaker:** Is that the father or the son? I am curious.

**Mr. Ruston:** The father. Mr. Conklin ran in 1945 or 1950.

**The Deputy Speaker:** Who phoned you?

**Mr. Ruston:** The father phoned me. Pardon me. The son would have just been a youngster at that time.

**Mr. Wildman:** Did either one of them win?

**Mr. Ruston:** Neither one of them won.

Thank you, Mr. Speaker, for listening so intently. When one gets involved with two different people it gets a little confusing. I apologize for that.

What he was stressing to me was that this is part of the problem with government. I think it really is a problem of being too long in office. I say the same thing, sincerely, about Ottawa. I sometimes think that when one party is in power for 12 or 15 years, it really does not know what is going on.

The bureaucrats and civil servants, for whom we have great respect in most cases, really control things. Sometimes the party appoints special people who are party people, but the bureaucrats keep hiring their friends so that they get on a one-track basis. Then, when we have economic problems over a period of years, they really do not know what to do. It is always patchwork.

That is what happened in Ottawa when Mr. MacEachen brought down his budget. I sometimes swear to goodness that he did not even see it until the day he read it. I have the feeling it was written by about the third deputy minister.

This budget before us today, I think probably the second deputy minister wrote it. I hope it was not the one I mentioned a while ago, who is working for the ministry office, because he did not do as well as his father did in business. That is too bad but that happens at times. They do not always follow in their father's footsteps.



I am speaking of young Dave Conklin, who is working in the Treasury office as economic adviser. I was always told that when you hire an adviser, you hire one who has been successful. I think it is better to take his advice than to take the advice of one who has not been successful.

I recall that many years ago, when times were not that bad, a fellow lost his farm and was given a job by a government agency. Then he started going around telling other farmers what they should do. I could tell you what my father told him the first time he came around, but I will not repeat it. I do not think my father swore at him, but the man soon left.

The budget deficits are really mortgages. The Treasurer should get up and say, "I mortgaged the people of Ontario in 1973-74 for \$708 million; in 1974-75, for \$977 million; in 1975-76, for \$1.799 billion." That last one was the budget for an election year.

In 1976-77, it was \$1.319 billion; in 1977-78, the deficit, mortgage, the net cash requirements, or what one of the Treasurers sometimes used to call a shortfall, was \$1.762 billion. In 1978-79, the deficit was \$1.180 billion. But then, in 1979-80, it came down to \$584 million, a real drop; but I have been told by some of the experts who followed all the budgets that they did a little shuffling at the end of the year to try to bring it down to that.

In 1980-81, the deficit was \$803 million. The interim deficit for 1981-82 was \$1,560,000,000 and the estimated deficit for 1982-83 is \$2,232,000,000. I would estimate the deficit for 1982-83 will be closer to \$3 billion than it will be to \$2 billion.

**5:40 p.m.**

One of the reasons for that is the interest we are paying on the purchase of Suncor, an oil company from the United States that has no bearing on the province whatsoever. One day in crossfire with the Premier I said if the government wanted to go out and gamble on the stock market it would have been better off to go and buy some shares in General Motors or Bell Canada. It would have been better to do that than to buy an oil company that many other people were asked to buy and none would.

**Mr. McLean:** I hope you don't get cold some night about 10 years from now.

**Mr. Ruston:** I will not worry about getting cold. When we are elected, we will have alternative fuels ready immediately. We will set out these things in programs. We will be experi-

menting with the many alternative fuels that can be used. I am sure that will not be a problem.

Many people assume the sales tax is regressive. Most sales taxes are regressive. This one has to be the worst I have ever seen. The other day, one of our own members went to buy a bag of potatoes to plant and he was charged sales tax on it. A bag of potatoes! It is just unbelievable. I bought a tree two weeks ago, and it is a good thing I got it when I did. Shrubs, bushes, seeds, including bird seed, seedlings, cut flowers and plants are no longer exempt. John White took the tax off plants and flowers one time when he was the Treasurer. John liked flowers so he took the tax off. But this Treasurer does not like flowers, and he put it back on. He also put it on bulbs for growing plants or flowers, growing plants, flowers and the containers in which they are growing.

Of course, there is also a tax on the delivery. They are now getting 30 cents a gallon gas tax, but when that truck goes out, they want to get some more tax. So now they have put on a delivery charge which has to be taxable.

**Mr. Runciman:** I thought you guys didn't use the word "gallon."

**Mr. Ruston:** That's right in the member's line. I am glad to see the member for Leeds here. I agree with him, but he had better talk to the Minister of Consumer and Commercial Relations (Mr. Elgie) who was on the radio a couple of weeks ago in Windsor saying: "We will never stop the metric system in Ontario. As far as I am concerned, it is going to go."

**Mr. Runciman:** You should talk to your friend Ouellet in Ottawa.

**Mr. Ruston:** The member has some friends there too. His friends were in power for nine months. What was the matter? They should have stayed in power.

Some of the other things now being taxed are really bad, such as personal hygiene and household cleaning items. Just unbelievable. Everything one can imagine, like soaps and detergents. In plain common sense, it just does not make sense. No wonder we got mad last Friday and walked out of this place. We should have walked out before May 13 and not allowed the government to introduce the budget. If we had known it would be that bad, I would have recommended that we got out the night before and stayed out. It would have been better for the people of Ontario. We would have done them a good service. That is an idea.

"Magazines sold by subscription, purchased



for use by schools, universities and public libraries are exempt.”—they are even putting taxes on going to school now, on school books of all kinds. Another thing is student supplies, such as blank exercise and work books, loose-leaf paper, books for drawing upon, music manuscript paper, schoolbags and satchels. It is just unbelievable that anyone with any kind of reason would put taxes on things like this. Then they wonder why we get so disturbed about it.

“Bar soap, disposable combs, facial tissues, matches, paper bath mats, soap flakes . . .” It is just hard to believe.

It includes “buses for public transportation,” which was brought up in question period today. What is it going to mean to the municipalities? “Building material for capital works, local services boards and volunteer groups” are taxable effective May 14.

I am going to attend the opening of a new township office. While I was reeve of the township, we built the office and new road works building. They are building an addition to it. Thank goodness they got in ahead of this one or it would have cost the municipality a lot more money to add the large office on to the present one. It is going to cost the municipalities thousands and thousands of dollars that they do not have in their 1982 budgets.

“Classroom supplies” as well will be taxed. “Self-built solar heating systems” will be taxed. They were going to try to save fuel but now they have put a tax on that. The real killer will be June 14, when the people of Ontario realize what kind of budget we have.

**Mr. Newman:** There will be a revolt then.

**Mr. Ruston:** I am sure the member for Windsor-Walkerville is right, there will be a revolt. There will be taxes at drive-in restaurants, dining rooms and cafeterias, including schools and universities. That also includes hospitals, rest homes and nursing homes, where the food served for the meal itself will not be taxable but a person will pay the sales tax if he goes to a cafeteria to get anything.

**Mr. Boudria:** Taxing the elderly and the children; that is what they are doing.

**Mr. Ruston:** “Lunch counters, private or social clubs, pizzas”—and travelling for delivering them too—“coffee shops, coffee wagons, caterers . . .” What a thing that is going to be to administer. All these caterers drive their vehicles all over to work places: I wonder if they will charge tax on their gas while they are driving around delivering food in these vending trucks.

“Vending machines, lodging houses,” as I mentioned, “Royal Canadian Legion halls, convention centres, snack bars” and “fairs, exhibitions, sporting events, cinemas, theatres, grocery stores, taverns, bars . . .” They have put tax on everything.

**Mr. McLean:** How would you raise it?

**Mr. Ruston:** The member asked me how I would raise the money.

**Mr. Boudria:** Sell Suncor.

**Mr. Ruston:** I am glad he mentioned that. Suncor cost \$650 million. The Treasurer assumes he is going to get \$560 million from his new sales taxes. He is probably going to collect more like \$750 million from them. I think he is low in his estimate, unless we can do something here to have some of them taken off.

I have a feeling there will be some changes made by the Treasurer in the next month. I would not say what things they might be, but I feel that after his trip to Japan, he may have the time to think about things.

If we want to save money, a member mentioned the land assemblies the province owns; I understand they are valued at somewhere around \$700 million. We are borrowing money. We could sell them and get the cash. Then we could take the sales tax off.

We could sell the jet. It is all fixed up now with leather toilet seats and everything. It was going to cost about \$10 million or \$11 million, but I suppose we could get \$14 million for it now that it is all decked out with mirrors, blue carpet and all.

We are talking about \$1.2 billion this government has wasted. The money is just sitting there and we are paying interest on it. The interest we pay on most of it is at 16 per cent, 15 per cent or 14.5 per cent depending on the rate.

5:50 p.m.

It would not be necessary to raise any taxes. In fact, we could have some money to put into industry to create new jobs if they would get rid of the jet, Suncor and all the land areas they have accumulated which they have been keeping for years where they were going to make some great towns. One of the former Treasurers had a dream that he was going to form towns in different places.

**Mr. Boudria:** A vision.

**Mr. Ruston:** Yes, that was a vision. I do not think it was the same minister, though, who was travelling in his—



**Mr. Sweeney:** The only vision this government has ever had.

**Mr. Ruston:** One of the ministers had a point of view a few years ago. He was travelling to London in one of his limousines and he stopped at one of the service centres. While the fellow was looking after the gas, checking the oil and one thing and another, he had to go for a walk into the building for certain personal reasons.

**An hon. member:** Personal hygienic reasons.

**Mr. Sweeney:** They weren't taxed then.

**Mr. Ruston:** Personal hygienic reasons which now we would have to pay tax on. Anyway, the driver got the car all gassed up, the oil checked and everything, jumped in and took off. He was about 35 miles from London when he realized he did not have the cabinet minister with him.

**Mr. Sweeney:** Who misses them anyway?

**Mr. Ruston:** The member for Kitchener-Wilmot says, "Who misses the cabinet ministers anyway?" There are about 27 over there and about 20 parliamentary assistants. I do not know what some of them do. I understand the driver of the limousine of one of the ministers without portfolio gives him a little rag once in a while to go and shine up the car; so I am glad he has something to do occasionally.

I could go on indefinitely about this budget, because there are so many bad things in it. With the mortgage interest rates we are facing in Canada today, there is no reason at all why the government could not bring in a mortgage assistance plan. The official opposition proposed one about two years ago. It was a good plan. At that time there was a minority government. When we brought it into the House, it was defeated by a combination of the left-wing part of the Conservative Party and the New Democratic Party. Neither of those parties thought we should have a mortgage assistance plan at that time.

Mr. Blakeney in Saskatchewan did not think they should have a mortgage assistance plan either and he got defeated. Members will recall that was not part of his platform. It was the Conservatives who ran out there under Mr. Devine who had a platform of mortgage assistance and no gas tax. That looked pretty good and he won the election. Mr. Blakeney could not understand what happened. He had only been in power for 11 years.

I can recall when I was about 16, 17 or 18 years old, we would have some strong arguments around the big kitchen table in the farm home. We would get talking about politics a few

days after an election, and some of my older brothers would be disappointed if our party had lost that election.

My dad said: "Don't worry. The sun will shine tomorrow morning. It will rise in the east and we will still be working and paying taxes. However, we will win the next time. I want to tell you one thing: you should never keep any party in power more than 12 years. Kick them out. Bring in a new broom and let somebody else try it for a while."

That is what happened out in Saskatchewan. Mr. Blakeney was well respected. I think most people in this House thought he was one of the best Premiers in Canada. He seemed reasonable. I think he and the present Premier of Ontario got along pretty well. They did not see eye to eye on the Constitution, but I understand from some news reports that they did see eye to eye on many other things. He is probably a reasonable politician, but in 11 years he lost touch with what was going on out there in the real world.

That is what happens with many political parties. I do not think there is any doubt that the people of Ontario, after seeing this budget and getting a chance to read it, will realize what a mistake they made a year ago on March 19 when the Premier came along and said: "Keep the promise. We will keep the promise." I do not know what he was promising. He was promising no tax increases. He was promising all these things.

**Mr. Sweeney:** Surely he did not say that.

**Mr. Ruston:** He kept saying that all the time. I heard him a number of times. He was not down in my area. The plane landed in the airports in my riding, but he really did not get off the plane. I think he had to wait there to get gas or something. I think he went on to Chatham, but he did not really come to my riding or any of the other ridings in Essex or Windsor.

**Mr. Wrye:** We would like to see him next time.

**Mr. Ruston:** Well, he came in one election, in 1975, I think.

**Mr. Boudria:** Is that when you doubled your majority?

**Mr. Ruston:** Well, we did not do too badly.

Anyway, he came down with his group of people, and he was going to the little town of Belle River. There is a secondary school there, so he sent word to the principal that he should release the school children so he would have a



crowd when he got into town. Since my son was in grade 10 or 11, he went down.

The Premier stood up on his little platform in the little town of Belle River, and the mayor was there with him. The mayor is a very good Liberal, but he meets everybody and treats him well. He had the NDP fellow come down, Mr. Lewis. He walked down the street with him and introduced him to a few people. He is a very broad-minded mayor who has been in politics for 33 years.

The Premier said: "Well, Mr. Mayor, I understand you have a little problem here. You have built a new arena, and after you built it you forgot to get Ontario Municipal Board approval." Two of the adjoining municipalities would not go in on it; they voted against giving them any money, so they had a big debt. So he said, "I have a cheque for you, for \$325,000, from Wintario."

That was nice. I was not there, but when I heard it that night I was really happy. There was our problem all solved. The Premier came down—yes, it was in 1975. That little town was very nice to him on election day: he won it by about 15 votes. Of course, the two adjoining municipalities were very unhappy because of the way he did it; so he lost them by about 1,000, of course. However, we got \$325,000, he got more votes and the people were all happy.

If the Premier wants to come down, write cheques and pass them out, I have no objection at all. Just bring on the cheques, and if I cannot pass them out I do not care. As long as he brings the money into my riding, we will look after it, we will spend it.

People cannot be bamboozled that much. That little town did go Conservative in that election, but that was the only time it went Conservative. It has not gone Conservative since.

**Mr. Sweeney:** The government needs to take another cheque down there.

**Mr. Ruston:** We are waiting for another cheque, if he wants to send another one down. With most of the cheques have been coming, the province tries to deliver them or send them through with a nice letter, but the problem is that a lot of that money does not come through

the Treasurer, it comes from the government of Canada; but they do not want to say that at all, they do not mention that.

**Mr. G. I. Miller:** The feds supply lots of money.

**Mr. Ruston:** Oh, the feds supply an awful lot of money.

**Mr. Wrye:** Thank goodness somebody does.

**Mr. Ruston:** In one provincial election the candidate for the Conservatives was pictured with the mayor of the town and this new senior citizens' apartment building. He said in his brochure what a nice thing it was. That mayor was a friend of mine. He said: "I did not know he was going to put my picture in his brochure. However, I am mayor; so I guess it doesn't matter. A little publicity does not matter wherever it goes."

In his brochure in the election the Conservative candidate said, "We have this nice senior citizens' apartment building, thanks to the province of Ontario." But he forgot to tell them that 90 per cent of the money came from the Treasury in Ottawa. Oh no, he did not say anything about that. Eugene Whelan was not invited.

There was another apartment building built in the town of Tilbury West. It is a 20-unit, geared-to-income apartment building where the tenants only have to pay two per cent interest as long as five families out of 20 are on rent-geared-to-income. It is all administered by the province, but not one damned dollar came out of the Treasury of Ontario; it all came from Ottawa. But not one thing was mentioned in all the paperwork they are having to put through about where that money came from until the reeve, who is a pretty sharp guy, started to question it, and after an hour and 10 minutes one of the civil servants admitted that all the money came from Ottawa.

As it is close to six o'clock, I will return at eight. Do not forget to come back at eight.

**The Deputy Speaker:** The member for Essex North (Mr. Ruston) has indicated continuation.

The House recessed at 6 p.m.

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No. 54

# Legislature of Ontario Debates

## Official Report (Hansard)



**Second Session, Thirty-Second Parliament**

Thursday, May 20, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 20, 1982

The House resumed at 8 p.m.

## BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

**Mr. Ruston:** Mr. Speaker, when we adjourned for the supper break I had talked at some length about the budget, saying I thought it was the worst budget this government has ever brought in, especially for people in the lower-income bracket.

Since we have had some criticism about the House not being open last Friday for an hour and a half and on Monday for three and a half hours, I suggest, Mr. Speaker, it is very important that we have a quorum. Would you check to see whether there is a quorum?

The Acting Speaker (Mr. Cousens) ordered the bells to be rung.

8:07 p.m.

**The Acting Speaker:** We have a quorum. The member for Essex North will continue the budget debate.

**Mr. Ruston:** Mr. Speaker, when I asked for a quorum I did not really want to force everybody to come in to listen to me. So if anyone—

**Ms. Bryden:** On a point of order, Mr. Speaker: There are no cabinet ministers present to hear this budget debate. I would like to draw it to your attention.

**Hon. Mr. Gregory:** Mr. Speaker, on that point of order: It might have escaped the attention of the member for Beaches-Woodbine that I happen to be a cabinet minister, and I am here. I just thought I would like to remind her of that.

**The Acting Speaker:** The member for Essex North now has the floor and our full attention.

**Mr. Ruston:** Mr. Speaker, I understand that about four cabinet ministers are up in the Sault, opening up the sewage disposal system. I guess it is understandable.

As I attempted to say, I did not want to force anybody to come and listen to my remarks. They may feel free to wander out into the hallways while I finish my speech. I will not call

for a quorum; however, someone else might.

Sometimes this House seems irrelevant. It was just mentioned that there were no cabinet ministers present. I recognize that the chief government whip and Minister without Portfolio (Mr. Gregory) is with us this evening, but no other cabinet minister. Going back to my first five, six, seven or eight years in this Legislature, I recall that at any given time at least one or two cabinet ministers were present, especially under the reign of John Robarts, but not so much from then on.

I think that shows the kind of distaste that the present Premier (Mr. Davis) has for this process. It bothers me some, because there are people in the gallery most evenings, looking around. Of course, we know that on many occasions there are committees meeting in other parts of the building; we understand that we cannot have them all in here. Something the public probably does not realize, but we who are here certainly do, is that some members have commitments in committees.

If we are going to make democracy work, this is a forum that should be used. I know that some of us will use occasions such as budget speeches and throne speeches to talk on line-fence issues, I suppose one would call them, or local matters. Sometimes it is the only forum one has to get these matters on the record and to draw the attention of the House to them.

As was mentioned previously, there are not many cabinet ministers here, but we do know that they have many executive assistants who keep track of what is going on here by reading Hansard. I am aware of times when I have spoken here when there was hardly anyone in here, but I have received a letter a few days later from one of the cabinet ministers about something I had mentioned in my speech. So I guess they do keep track of things.

I have one or two items I want to speak on; they are what I would call local issues, although they involve the Minister of the Environment (Mr. Norton). One has to do with a project in the township of Rochester. The township had applied to the province for assistance in building watermains in the municipality. They had hired engineers to make a survey of the municipality



to enlarge some of the watermains. The pressure in some parts of the municipality is down to 15 pounds, and other areas have no water available.

In the area I am speaking of it is almost impossible to obtain water through wells or to drill wells; so you have to have it by pipeline. They had their engineers' report sent down to Toronto to be perused by the Ministry of the Environment and, after some meetings and discussions back and forth, Mr. Harry Parrott, the then Minister of the Environment, sent them a letter, dated March 20, 1981. It says:

"This refers to your request for an up-front grant for the above-noted project.

"I am pleased to confirm that I have approved the grant in the amount of \$969,000, which represents 72 per cent of the net capital cost of the project, based on the estimates provided by the municipality. The estimated grant allocation for the fiscal year 1981-82 is \$700,000.

"The appropriate grant claim forms are attached, and these should be submitted to my project co-ordination branch in accordance with the instructions shown, together with proof of the tender award for the project.

"I request confirmation of receipt of this letter together with a statement that the municipality will definitely proceed with the works for which the grant has been assigned in fiscal year 1981-82. This confirmation must be received by May 15, 1981, as I propose to reallocate funds to other requests should your municipality not confirm that it can utilize the funds presently allocated.

"I trust that this grant assistance will enable you to complete your undertaking successfully.

"Yours truly, Harry Parrott."

That was March 20, 1981. The municipality then had Ontario Municipal Board approval for the project, and that approval was granted on the basis that the township of Rochester would receive 72 per cent of the cost of the project.

I have a letter from Mr. Letman, manager, project control section, Ministry of the Environment, to the township of Rochester, dated December 4, 1981:

"Re: Township of Rochester waterworks extensions, provincial up-front grant.

"This acknowledges receipt of your letter of November 10, 1981, advising of the recent Ontario Municipal Board hearing. We note that the board has requested assurance that grant funds will be available beyond the current fiscal year.

"Please be advised that the allocation made

for the current year was based on an estimate prepared by staff of the municipality's expenditures during the current year. Provision has been made in our budgetary allocation to cover the costs of completing the work in 1982-83 and the subsequent fiscal year based on information already provided to us.

"We shall continue to retain funds in our budget for the current year on the assumption that contract award will proceed prior to April 1 next. If such is not the case, we would appreciate being advised in order that the necessary adjustment can be made in our 1982-83 allocation.

"We trust that this information will be sufficient for the purposes of the board.

"Yours very truly, Mr. C. E. Letman."

There were some other municipalities in the area making applications on almost similar projects. The municipality called tenders on April 1. It called the government to tell it that it had the tenders and had opened them and asked what direction it should take at the time.

This is a registered letter dated April 15, 1982, to Mr. Richard J. Bondy, Barrister and Solicitor, 310 Canada Trust Building, Windsor.

"Dear Mr. Bondy:

"Re: Township of Rochester waterworks extensions, provincial up-front grant.

"This is to confirm our telephone conversation of this morning following the receipt here of your letter dated April 7, 1982.

"As I indicated on the telephone, an error has occurred in the calculation of the above grant. A corrected calculation produces a \$90,000 grant instead of the previously indicated \$969,000."

**Mr. Sweeney:** That's one heck of an error.

**Mr. Ruston:** It says "error".

**Mr. Wrye:** It is like the budget of the Treasurer (Mr. F. S. Miller).

**Mr. Ruston:** "We have, therefore, to advise that we cannot proceed on the basis of the figure indicated earlier. You indicated that tenders were open a few days ago, and I suggested that you take no further action to lock yourselves into this project.

"You expressed the desire to meet regarding this matter and, subject to confirmation from you, we could meet on the morning of April 22. I will be accompanied at the meeting by Mr. G. E. Higham, executive director, finance and administration, of the ministry, and possibly by other staff.

"Yours very truly, Mr. J. Neil Mulvaney, QC, director, legal services branch."



When they got the letter from the then Minister of the Environment, saying they were going to get \$969,000, they went ahead with their project. They had public meetings, they involved about 600 people who were in dire need of water and everything was fine. The Ontario Municipal Board had its hearings. There were a couple of things they inquired about and information was forwarded to them and they, in turn, gave final approval to the project.

The difference between \$969,000 and \$90,000 has got to be something other than an error. I am sure, as much as we have computers and experienced people working on many of these projects, that something else is wrong. The minister, I think, must be changing his regulations in midstream, because this was approved and everything was set to go. The contract came in at \$290,000 less than the engineer's estimate; so the province would save 72 per cent of that, another \$210,000 or \$215,000. Instead of it costing the province \$969,000, the \$215,000 off that would bring it down to about \$750,000.

They have failed to come to any agreement after meeting with the Rochester township officials. The minister refused to meet with the council; apparently there was an article in one of the newspapers which said the township may have to take legal action if the ministry did not approve the project, because the township has engineering costs of around \$150,000 involved in this project.

I asked a question of the Minister of the Environment on April 29, 1982. He has not as yet agreed to meet with the officials of the municipality.

I cannot say too strongly how I feel when a minister of the crown signs a letter saying a municipality is going to get \$969,000 and then tells it nine months later, after the contracts are all ready to let and all the engineering work is done, that it is going to get \$90,000. I do not know whether that is the way the Treasurer runs his budget; it looks like it. That is just a carryover of what is going on in this government, and something has to be done.

**8:20 p.m.**

I hope the township of Rochester does not have to go to the courts to get this money, because it would probably take a couple of years, and fighting the province is not cheap. The municipality has a population of only about 4,000, and it could be very expensive for it. I want to bring to the attention of the House that this matter is of grave concern to us in my area.

Our expert on agriculture is here, the member

for Huron-Middlesex (Mr. Riddell). He covers that topic very well, much better than the Minister of Agriculture and Food (Mr. Timbrell). At least he knows which way the cow and the horse are going when he is out in the field. I will give the minister time to try to learn a little about what happens if one puts seed in upside down, whether it will grow or if it has to be set up straight. He will find that out, I am sure, over the next few months as he gets his feet wet as the new minister.

I want to say a thing or two about agriculture. I think we have some of the best agricultural land throughout Essex county. In my own riding, of course, we have excellent black land in the La Salle area where there is market gardening. But throughout the rest of the riding there is mostly what we call the Brookston clay, where we grow beautiful field tomatoes.

I am happy the minister has made an agreement with H. J. Heinz Co. to put in a new addition to its plant for handling tomato paste. That is something I talked about many years ago. On a couple of occasions, a predecessor of the Minister of Agriculture and Food, Mr. Stewart, and I had some great, sometimes loud, discussions on that. He was a great Minister of Agriculture and Food. We have not had one that good since he retired. We are looking forward to the next election when we can have the member for Huron-Middlesex as Minister of Agriculture and Food.

This government is paying lipservice to keeping the small farmer in business. I have a friend who lives about four miles from me who has a chicken farm and does some cash crop farming. He has ducks and so forth. He has been going to the Windsor market for 30 years. It is real income for him, his wife and family. Now the province has come along with a rule that unless one has a licensed slaughterhouse, one cannot take any birds to the city market.

There was an editorial in the Windsor Star of Tuesday, May 11, entitled "Bureaucracy—A Fox in the Hen House" It is rather good. The people who buy his chickens every Saturday—he takes about 300 to market every week—are the best graders and the best protectors of health there are. They would not keep coming back for 30 years if there was anything wrong with his products. I can tell members that. One time I went to that city market, and the buyers there knew and understood what they were buying. So it is really too bad.

I will read this: "Strange are the ways, and tortuous the thinking, of bureaucracy. Take, for



instance, the latest pronouncement from the Ontario government. After July 5, poultry producers will not be allowed to market poultry not killed in a government-inspected plant. That means that you won't be able to go to the Windsor Market and buy fresh-killed poultry, as hundreds of consumers who like to buy their poultry fresh—and from a producer they know and trust—have been doing for years.

"It's another case of government helping the people, whether or not they want to be helped, and in the process increasing costs, squeezing out small enterprises, adding one more complication to life, and providing jobs and security for civil servants.

"There is nothing wrong with the idea of government inspection. It is comforting to know that what you buy for your table has been checked and graded.

"But once any idea is established, bureaucrats begin to fret at any departure from their rigmaroles. They don't want any exceptions. They don't just want control, but complete control.

"So the farmers who have been bringing fresh-killed poultry to the market for years, and have built up a clientele of buyers who know and trust them, are suddenly told to stop. Unless there's a government inspector officially on hand as every bird is killed, it's illegal to sell poultry at the market.

"The government does provide a way out—but it is so awkward, expensive and annoying for both producers and customers that both could easily give up.

"Farmers can continue to kill and sell poultry on their own property. That means a trip to the country for each customer." That is the interesting part, and I am aware that the farmer can still continue to kill his poultry on his farm, but the purchaser or the buyer has to come out to the farm to buy it.

With the government's 30-cent-a-gallon tax now—and the member for Leeds (Mr. Runciman) will be interested that I said "gallon" again—they will like that, because the customer will be paying a big tax to drive out and get it. But how many people are going to drive out and do that? I could read the rest of the editorial, but it is just too bad, because again there is a whole business that has to close up.

We hear a lot about the Board of Industrial Leadership and Development program, BILD. I think my friend the member for Rainy River (Mr. T. P. Reid) calls it the "bilge" program. I wrote a letter to the Minister of Agriculture and Food to see whether he could help put in a

slaughterhouse at a cost of about \$50,000. It could have a dressing room for the vet to sit in while they kill the chickens. He could have a washroom and all the fancy things, such as a padded chair and probably a padded toilet seat. I thought I could help.

They say the BILD program would do wonders; so I asked whether it would be possible to get a loan to build this slaughterhouse. They said: "No. There is no money available; the well is dry." That is a real concern to those people who depend for a living on this. As I said earlier, the people who do the buying, the people who come to that market every day, judge and they can tell you whether the livestock was properly killed and whether it was proper before it was killed.

**Mr. Stevenson:** What did the poultry producers' marketing board say about that?

**Mr. Ruston:** What was that? Did the member for Durham-York want to give a speech? No, I guess not.

We do have more than just cash crop farming in our area, and we do have some beef cattle. At the November 1981 Royal Winter Fair, a young lady from our area, from Sandwich South township, won the Queen's guinea. She got a \$250 cash prize, but her steer sold for \$21,000. She is going to go to college when she finishes high school. Her name is Debby Nostadt. Her family runs a cash crop farm, and they have a beef feedlot and an adjacent butcher shop. They have a real operation there and they certainly know how to raise cattle.

This cross-breed was three quarters Limousin mixed with Hereford and Holstein.

**Mr. Eaton:** The Hereford part is good.

**Mr. Ruston:** How is that? Good breed.

**Mr. Elston:** Do you make \$21,000 a head, Bob?

8:30 p.m.

**Mr. Ruston:** In the standing committee on procedural affairs this morning I was speaking about time limits on speeches. I am going over the time I was talking about in that meeting. However, I have no assurance the next speakers are not going to go over it; so I may as well take my time.

**Mr. Mitchell:** Sure, go ahead.

**Mr. Ruston:** In the last throne speech we had eight or nine days to go through it. Since I have been appointed whip of our party, I think I have gained the respect of all our members. I asked them if they would restrict their speeches to

about half an hour so more of our members could get on during that eight- or nine-day cycle, but as soon as it went to the party to our left, some member would speak for two hours. Then one night the party to the left agreed to withdraw and allow us to catch up a little. We have 33 members. They really only have 21. Those fellows think they have 30, but they really only have 21.

**The Acting Speaker:** The honourable member should speak to the budget debate.

Interjections.

**Mr. Ruston:** Anyway, one night they agreed to withdraw their speakers and allow us to get three or four speakers on. We had two speakers go on in a row with half an hour each. I had them on like a time clock. Then the Minister of Intergovernmental Affairs (Mr. Wells) got up. He was going to take half an hour, but he ended up taking an hour and a half so we really did not gain anything.

**The Acting Speaker:** I would appreciate it if the honourable member would tie this back into the budget speech he is making.

**Mr. Ruston:** Mr. Speaker, we are trying to—

**Mr. Wildman:** You are just trying to budget his time.

**Mr. Ruston:** Mr. Speaker, I guess you were not in the chair before six o'clock. I really covered a lot of the budget then. I would not want to be repetitive because you would probably call me to order. As you are aware, the budget speech covers anything that has to do with spending money, so it does give us a wide-ranging—

**The Acting Speaker:** You were talking about spending time and I would like you to talk about spending money.

**Mr. Ruston:** As I mentioned about mortgage assistance before the supper hour, our plan was to provide help for small businesses and also for farming, as well as for people with homes who were in trouble because of high interest rates. We were disappointed when our bill did not go through with the minority government two years ago. The first and third parties went together and voted it down, much to our displeasure and I am sure to the third party's displeasure now. I am sure if they had it to do over again, they would vote for that mortgage assistance program.

In regard to the agriculture industry, I mentioned the problem a couple of small farmers have here. Our biggest problem in Ontario now

in cash-crop farming is that commodity prices are so low on soybeans, corn and so forth. We are familiar with farm prices as they go up and down. I suppose it is something farmers get used to and they roll with the punches. I am sure most members are aware that corn prices are about \$1 a bushel less than the actual cost of production and soybeans are about \$2 a bushel less. We have deep problems with those.

Of course, I understand we have not had rain in Essex county for three or four weeks, but we cannot blame that on the government. We do not intend to. I am sure someone will take care of that before too long and will stop the wind from blowing. I have a number of things I could go on with, but I have had my one hour.

**The Acting Speaker:** The member for Algoma (Mr. Wildman).

**Mr. Mitchell:** Which one?

**Mr. Jones:** Don't fight over it; there will be another time.

**The Acting Speaker:** Inasmuch as the member for Algoma sat down and the member for Scarborough West (Mr. R. F. Johnston) is still standing, I recognize the member for Scarborough West.

**Mr. R. F. Johnston:** It was a brutal battle but I am still standing.

**Mr. Ruston:** Maybe we should have a motion on which one should speak.

**The Acting Speaker:** I can tell that the member for Algoma defers.

**Mr. Van Horne:** The one who is more handsome.

**Mr. R. F. Johnston:** Don't be sexist.

**The Acting Speaker:** We are talking on the amendment to the amendment to the budget.

**Mr. R. F. Johnston:** I was, in particular. So far, I do not think I have strayed from the topic.

Because of the great interest in speaking that has been exhibited by other members of my caucus, I will try to stay within the arbitrary one-hour limit that has been set by the member for Essex South.

**Mr. Ruston:** Essex North.

**An hon. member:** Whatever.

**Mr. R. F. Johnston:** That is true. It is "whatever", isn't it?

We have had two budgets of late, one provincial and one federal. The people of Ontario are reeling from the double whammy of the Tory-Liberal approach to economic recession in the province. At the federal level we have the



policies of Mr. Trudeau and Mr. MacEachen which have brought us high interest rates, which have brought bankruptcies and the loss of mortgages to the fore and which are causing a great deal of hardship for people around the province.

We do not hear too much about that from members of the Liberal Party here in the House. One wonders, when is a Liberal not a Liberal. A kind of riddle comes to one's mind when one is a Liberal in Ontario, I would think. Or, when one is a Liberal after a MacEachen budget, one sometimes stops wanting to be a Liberal.

**Mr. Ruston:** Just remember what happened to Blakeney.

**Mr. R. F. Johnston:** As far as I know, Mr. Blakeney was not a Liberal. The price of good policy is what he ended up with; although that is another matter.

**Mr. Elston:** We didn't lose a single member after the last election. That's more than you can say.

**Mr. R. F. Johnston:** I hesitate to get into the Saskatchewan disaster, but we will remember that the Western Canada Concept Party, or whatever it is called, almost garnered more support than the Liberal Party. It only failed by one percentage point. Together, they got seven per cent of the vote.

The provincial Liberals, who are indeed the federal Liberals and should not be allowed to try to make the distinction, are responsible. They are part of the Liberal machine that has brought us high interest rates, that has brought Reaganomics to Canada with their massive effect on the industrial heartland of Ontario.

What have they done, substantively, to deal with what we should do in Ontario? They have said that there should be no tax increases, but we should increase services. They do not point the finger of blame at their federal Liberal counterparts. As I understand it, in the doctors' dispute they said, "Larry, pay them whatever they want, but let's get rid of the dispute."

In a time of recession, I do not know how we can increase services and not increase taxation without increasing the deficit, which is the third option the Liberal Party has decided is not possible. They are dealing in a fairy-tale land of, essentially, trying to fool the public by criticizing only and by not offering any solutions; and especially by not taking any responsibility for what the federal wing of the party on my right has brought upon this province.

I would like to say that my party has not taken

that approach to the budget. We came forward with our suggestions about a week before the budget was brought down by the Treasurer (Mr. F. S. Miller). Although my colleague the member for Windsor-Riverside (Mr. Cooke) does not have the vast resources of the Treasurer's department to support him in developing a budget, nor the capacity for the double- and triple-checking that is necessary to dot every "i" and cross every "t," we were able to give a fairly comprehensive view of where we would go.

It is true that we made some choices. We said we do not want tax increases; in fact, we talked about tax cuts with regard to health premiums. But we understood that in the interventions we were suggesting we would be increasing the deficit. We did not back away from that. It would be unreal to believe that we were not doing it, but we looked upon it as a major investment in our future.

**Mr. Gordon:** Bankruptcy.

**Mr. Mackenzie:** Not that much more than yours.

**Mr. R. F. Johnston:** Exactly.

The provincial government has gone part-way along the way. They have raised the taxes and the deficit. They have come up with the worst of both worlds.

**Mr. Gordon:** You would double it.

**Mr. Charlton:** Not much more than yours.

8:40 p.m.

**Mr. R. F. Johnston:** Not that much more than the government's deficit. The member for Sudbury (Mr. Gordon), who announces things a week after other members from the Sudbury basin on a regular basis, will know the government's deficit was not what was anticipated.

**Mr. Gordon:** You mean our deficit wasn't big enough?

**Mr. Mackenzie:** Your credibility is not very good. I wouldn't say too much.

**Mr. R. F. Johnston:** The member for Leeds (Mr. Runciman) was perhaps encouraged to run for the Conservative Party because of all that talk about a balanced budget, that notion about responsible government not creating deficits. He must be sorely disappointed because what he has done is to create a deficit. I am not blaming him for that. We could have created a deficit ourselves in order to invest.

I want to focus on just one area of this budget for my speech tonight. The choice that has been made by this government is essentially to come out with a budget for winners, a budget that

says, "Give the wealthy more." My God, I am reminded of the last election where the Marxist-Leninists had the slogan, "Make the rich pay." What we have developed here is just the opposite. Their class analysis of Ontario, which I would never have presumed to be accurate, has been shown to be accurate in this budget.

The emphasis in this budget is on giving to those who have, believing that somehow giving to those who have will assist those who have not. That is the essential premise of this budget, allowing the pass-through of funds to the doctors as being acceptable in our society. Doctors should be able to gain, in this next year alone, a \$12,000 increase on average, according to the Ministry of Health estimates—a \$12,000-a-year increase.

At the same time, in this wonderful blue book, there is not one word about senior citizens; not one word about a guaranteed annual income system for the disabled; not one word about family benefits recipients; not one word about general welfare recipients. But there is a hint and there is a threat in there that they should not expect an increase up to the cost of living.

I asked the Treasurer: "Is your threat, on page 17, directed to more than public servants? Is it directed as well to these recipients?" On page 17 of the budget it says, "I now serve notice to all recipients of provincial funds that they should not count on future funding at or above inflation rates." In response, the Treasurer said, "No," and I was pleased.

I rose then on a supplementary and asked the Treasurer, "Are you then saying that you will make sure these people, who are living below the poverty line,"—I will come back to that—"will be given at least, if not catch-up like you said the doctors needed"—these poor welfare recipients of our society, the doctors, they needed catch-up—"will you at least give the welfare people and the family benefits people an understanding that they will get cost of living?" He said, "No." He would not guarantee me that. That tells me his threat is directed at them, just as surely as it is at the people who work in the hospitals. There is a nice irony, is it not? The hospital workers are recipients of funding.

**Mr. Jones:** You are giving your own interpretation of his answers.

**Mr. R. F. Johnston:** I point out to the parliamentary assistant that this is a directive from the Treasurer to all those who are administering institutions and organizations that receive pro-

vincial funds. When they go to bargain with their employees, they can wave page 17 at them.

**Mr. Gordon:** We saw what happened in Saskatchewan to the hospital workers.

**The Acting Speaker:** The member for Scarborough West has the floor. Your mild interruptions are becoming not mild.

**Mr. R. F. Johnston:** Mr. Speaker, as I was saying, the hospital board, the children's aid society, the school board, the municipal council can turn to page 17 of the budget and say: "See? The Treasurer is telling us we do not have to give you an inflation increase for this year. When we go to bargain, you, the workers, are going to have to pick up the costs of the recessionary budget we have been given by the Treasurer. That is our mandate, that we should not expect money to be passed to us, and therefore you guys are going to have to take less than inflation."

To say that this is not a directive to those boards and associations around the province is foolhardy. Of course it is. It is the most blatant statement of instruction to those boards that I have ever seen in a budget. So the workers, then, are asked to bear the brunt.

I want to try to paint a picture of what our society is at the moment.

**Hon. Mr. McCaffrey:** You are.

**Mr. R. F. Johnston:** Thank you, Bruce.

My income, as anybody who reads Toronto Life will know, besides those members who happen to know that I do not have any other employment but this, is \$40,000 a year, give or take our nontaxable section. I am a well-paid individual in this society, in my view. The games we are playing with that six per cent cut to make us look as if we are making a major sacrifice are so damned hypocritical in our society that I just cannot believe it. We were offered, and members all know it, nine per cent from the election.

**Mr. Gordon:** Did you earn your six per cent?

**The Acting Speaker:** Order.

**Mr. R. F. Johnston:** I am not going to play games with it, Jim, like your friend from Brantford.

**Mr. Pollock:** We haven't even got the six per cent yet.

Interjections.

**The Acting Speaker:** Order. Member for Scarborough West, do you have the floor?

**Mr. R. F. Johnston:** The commission indicated to us that they thought we should get nine per cent on just the taxable section and no



increase at all on the nontaxable section. The Treasurer seems to be making this big statement about the cutbacks we are going to take as an example for the province by saying that we will get only a six per cent increase. A six per cent increase on our salaries, yes, but also a six per cent increase on that nontaxable part. And now I understand he is even waving around the idea that on the other emoluments which certain members in this House get there should be an additional six per cent. What hypocrisy!

**Mr. Gordon:** Well, put a motion before the House.

**Mr. Mackenzie:** You will have a chance to support one this week.

**Mr. R. F. Johnston:** Mr. Speaker, I am one of those people who have, in my view, in this society; I am one of the people who have benefited well from this society; I do not need extra help to have it then somehow trickle down to other people in society. But there are many in our communities who have standards of living that are unacceptable to me and should be unacceptable to every member of this House.

While we have a budget that aids the wealthy we are in fact stretching the gap between the wealthy and the poor in this province. We say it is all right for the doctors to get what they are getting, a \$12,000 increase this year, but I want members to juxtapose that with what a person on welfare is getting. I want them to think about it, because we all can think about this just as some money we are giving away to people and how much it is costing us.

A single recipient of family benefits in this province in 1982 receives \$278 a month to live on, a total of \$3,336 a year, and we have just approved that the doctors should get \$12,000 extra this year on top of what they already make. Four times what these people are living on the doctors will get in an average increase this year, and there is not one word in this blue book about that basic injustice; there is not one word in this book which says that those people deserve protection, that in times of recession we protect the poor, not give to the wealthy.

There are not just a few of these people; there are perhaps 500,000 on assistance and maybe more who are living well below the poverty line in Ontario. If you are a disabled person, single, you receive \$364 a month to live on in Ontario. That is a total of \$4,368 a year. I would just like every member in this House to think about what it would be like to live on that much money.

If you own a home, think for a minute about

what your mortgage rates are. On just my mortgage, I pay three times as much per month as that person receives. That is how I have benefited from society. I have the capacity to throw money into my housing to that degree.

**8:50 p.m.**

What does it mean for a person in the city of Toronto who is receiving \$278 a month and wants to go out to find rental accommodation? I would remind the members that not all the poor are in Ontario Housing. According to the estimates of the Minister of Community and Social Services (Mr. Drea) for this year, 40.1 per cent of the people receiving assistance are living in private rental accommodation in this province.

What does that mean if one is a poor person living in Toronto receiving \$278 a month? It means that as of last April, if one were going out to look for an apartment in Toronto, the average cost would have been \$276 per month. That is almost exactly what they are receiving in family benefits.

Any of the members who are from Metropolitan Toronto know that price of \$276 has escalated enormously over the last year. It is hard for me to understand, when I go through the figures for people who are living on public assistance in this province, how we rationalize these various amounts.

Why is it a single general welfare recipient receives about \$40 a month less than a single family benefits recipient? What is it about that person's basic needs in society that says that individual only needs \$2,756 a year to live on? That is an unemployable on general welfare. If one is employable, one is offered even another cut of \$22 per month. If one is employable, living in Windsor, not sick, has been on unemployment and it has run out, and one is still looking for work, they say: "Well, forget economic reality. You are eligible for work, therefore we will cut off \$22 and that will be a real incentive for you to get out and find yourself a job. You only need \$2,592 to live on in Ontario in 1982."

Why is it that a senior citizen on guaranteed annual income supplement receives \$515 a month or about \$6,188? I do not understand why we have this range of poverty we have decided to impose on the poor in this province. This budget has done nothing to redress either the inequality or the injustice of those people being required to live in Ontario at those levels. Those levels have not even kept up with inflation for the last number of years. Those people have been



falling farther into poverty as the wealthy get wealthier.

A mother with one child since 1975 has lost 23.4 per cent against inflation. A mother with one child under family benefits has lost 14.8 per cent against inflation. Even a Gains-D single person has lost 16.2 per cent against inflation. The Minister of Community and Social Services has recently added in women between 60 and 64 and raised them up \$40 a month, an act of supreme generosity. In this province, 1,600 people have had some kind of redress, but basically the 500,000 who are on levels below poverty have been losing against inflation.

We all have different notions of what a poverty level is. I have just tried to talk in terms of the dollars those people receive because we can argue all night about whether a poverty level is accurate or not.

But I think it should go on the record when we think about this family benefits recipient who is receiving \$3,336 year in this province that the Statistics Canada rate for the poverty level, the basic amount of money that a person needs to get by on today in Ontario if he is living in a large city like Toronto, is \$7,303. Quick arithmetic shows that those people are 40 per cent below a poverty line established by Statscan and accepted by the National Welfare Council.

A family of two is expected by Statscan to need \$10,585. Well, a mother with one child in Ontario on family benefits receives \$5,676 on which to raise that child in the province. Maybe they live in regular rental accommodation, maybe they are lucky enough to be in public accommodation, but probably as many as 40 per cent are not. A general welfare mother—again this wonderful discrepancy—is expected to get by on only \$4,812.

While we give out in this budget the biggest single tax break we have given out in many a year in this province to business—

**Mr. Mitchell:** And that's good.

**Mr. R. F. Johnston:** I said "while we do that" and that's our priority, and if you have been here from the beginning, Bob, you know I am saying there is no mention of the poor in this.

While we do that, giving again to the successful small business—I think that is important to say the "incorporated small business"; several small businesses in my area that need assistance are now running off and making lawyers rich by getting themselves incorporated in the next month or so, so they can rush out and apply for it—while we do that and while we start adding the sales tax to things that affect the poor far

more than they affect you or me, we have not done one damned thing in this budget to redress the fact that people are being expected to live and raise children in the province on that pittance. To my mind that is shocking.

The press seems to have attacked this budget because it is a puppy-dog budget; we are taxing the puppy-dog and the delivery on pizzas. I agree that this is outrageous, that it is ludicrous; but, my God, the fundamental inequity of this budget is that it does not say one damned thing about the poor. Basically, in my view—and I say this sardonically—it is saying that money is wasted on the poor. Why bother giving it to them? Give it to the wealthy. They will help us get out of the economic mess that the federal Liberals—to make a small distinction—and the Tories over here have put us into. Let the poor wait until we get out of it; let the poor sit idly by.

Well, that strikes the very foundation of why I am a Socialist; that strikes at my very fundamental sense of justice. There is something damned wrong with a government that in these times, understanding the costs, the pressures and economic stress on families in this province, has not done one damned thing for the poor yet has given a huge tax break to business and has said to the doctors, "Take your money and run."

I guess that is what we expect with a majority government. To be fair, it is not what I expect of certain elements in the Conservative Party. It is not the kind of response I would expect from a concerned government in Ontario.

Mr. Speaker, I have seen the consequences of poverty in Ontario first hand, as many others have, but I have never seen them as graphically as I did last autumn.

The member for Bellwoods (Mr. McClellan) and I, acting on a tip and not knowing whether it was real or not, went to the city hall garage in downtown Toronto to look in the stairwells. We were told we might see some people sleeping there.

**9 p.m.**

That night we saw 22 men curled up in the stairwells, lying on blankets of newspapers, curled in the foetal position, in the middle of the night. It was an eerie experience. It felt as though one was invading their privacy. And you said to yourself, "My God, is this what is going on in the underground, things that we do not see in this plush-carpeted chamber, with the pages waiting on us hand and foot"—and doing very well too. We do not see it, but it is there.

We came back and made an issue of it. There was shock around the province. The response at



city hall was to make sure they left the doors open so that in the winter the cold air would come down the stairwells and make it impossible for anybody to sleep there. The police started to lock up anybody who lay in front of the big exhaust fans at city hall, which was another place where we found people sleeping.

Luckily, there was a positive response: All Saints Church said it would open up its facilities to people during the week. In January, I went down to All Saints Church. I saw what was an incredible thing to see in Toronto which, I am sure, most people would not anticipate occurring.

We have many hostels. Those hostels were all full; they were all underfunded, but that is another matter. On the floor of All Saints Church there were more than 300 people sleeping. Some of them were on pallets of a cloth material that was provided by the church, but most were sleeping on the hardwood floor, in their stocking feet, with no blankets to cover them. An average of well in excess of 200 people a night were there for that full winter.

There is real and abject poverty in this province. Surely, if there is any reason for government, in the form of those noninterventionists over there, it is to make sure that people do not suffer in this society. If one wants to come down to just basics, the least one can do is to try to keep people from suffering and being hungry.

There is a report out today, which I have seen only peripherally, which says that in our hostels in Toronto there are about 270, as I recall, ex-psychiatric patients. There are also many more, as was reported by the member for Bellwoods, who are not admitted to our hostels because they are too hard to manage. There are no facilities in the city to handle those people.

In a grandstanding move yesterday, the Minister of Health (Mr. Grossman) decided to give \$1 million to create 74 new beds, I think it is—is that right?

**Mr. McClellan:** Actually, it is only 60 new beds.

**Mr. R. F. Johnston:** Only 60 new beds.

**Mr. McClellan:** No; 20.

**Mr. R. F. Johnston:** I am being corrected again. It is even less than that. I am credulous. Only 20 new beds.

**Hon. Mr. Ashe:** Forty.

**Mr. McClellan:** That is separate. The \$1 million will create 20 new beds, and there is an extra allocation for 40 beds.

**The Acting Speaker (Mr. Robinson):** We are moving right along.

**Hon. Mr. Ashe:** Twenty and 40 are 60. The member was right the first time.

**Mr. R. F. Johnston:** At any rate, no matter whether it is 60 or 20, I am saying that we have hundreds of people in Toronto at the moment who have no place where people will accept them.

There are rent registries in Toronto for people looking for accommodation in the regular rental community. Last fall, the average price for one room with a shared kitchen was \$50 a week; I am not out if I say \$210 or \$220 a month. For a person on general welfare that leaves some \$30 or \$60, depending on which level one is at, to live on for that month.

But it was not even that easy. What we discovered was that in 50 per cent of the cases, landlords who had those kinds of low-cost rental accommodation available would discriminate against men under the age of 65, ex-psychiatric patients and women with children; the people who were in greatest need were not allowed in. And we have a budget that does not contain one word about creating new housing for the poor and does not address the fact that public housing in general in Toronto had 30,000 people on waiting lists as of last fall.

One can read this as carefully as one wants. One will not see the creation of any new public housing. One will see some verbiage about the home rental construction concept, but we know that has created no more than about 300 places for subsidized housing in Toronto in the past year or so, with a waiting list of 30,000. I cannot believe anything but that this government is totally out of touch with the reality of this province; that it is tinkering with the system, throwing money at it, hoping it will trickle down and help.

**Mr. Jones:** We are trying to make the whole economy better. If the whole economy is better, the people you are talking about as part of that society will be better off.

**Mr. Mackenzie:** Better for the 10 per cent you were talking about.

**Mr. McClellan:** The parliamentary assistant was ordered not to speak by the Premier this afternoon. He should follow that advice.

**The Acting Speaker:** No. He was ordered not to answer questions.

**Mr. Jones:** That was a different set of orders.

**Mr. Ruston:** You were muzzled, were you?

**Mr. R. F. Johnston:** It was good advice, though.

**Mr. Ruston:** Mugged in the halls of power, is that what you call it? That's what Jim Taylor called it.

**Mr. R. F. Johnston:** As we let the heckling subside, I will continue.

There surely must be some understanding by this government that one cannot just give money at the top and hope it will reach these people. There are people who are destitute in this province.

We have a Minister of Community and Social Services (Mr. Drea) who does not want to be a bleeding heart, as he said the other day in the House. God knows, we are in desperate need of a bleeding heart over there. If it is not the responsibility of Minister of Community and Social Services to take the message I am talking about tonight to the cabinet, and say that should be a priority, then I do not know whose job it is.

I do not know whether I can find the news clipping, but I remember it vividly, about his response when the figures came out on poverty levels in Canada and on people who were living in hunger. He said: "Bring me one hungry person. Show me somebody who is really having difficulty getting by at the moment."

That is one approach to take, and I think an occasional right-wing back-bencher should be allowed to express that kind of reaction, but for the Minister of Community and Social Services to think that people are not hungry when they are trying to raise a child on \$5,676 a year, or to think that people are not sleeping in the cold when they are receiving \$2,756 a year as an ex-psychiatric patient, for instance, is surely despicable at the very least.

Who is going to speak for these people? There is no sign at all of any Red Tory influence over there. There is no sign of any influence by the Minister of Community and Social Services or his predecessor, who is now the Minister of the Environment (Mr. Norton).

Where is the famous influence of the Attorney General (Mr. McMurtry) on the cabinet? Has the Minister of Consumer and Commercial Relations (Mr. Elgie) disappeared since Bill 7 went its rough route? What has happened over there that they have nothing to say about the poor, that it does not even cross their consciousness, when they are making the major economic statement of the year?

If I seem aghast and incredulous, it is because I am. We will be pushing hard on a number of fronts in the next little while in the

House to try to expose what the government has left out, to try to push the minister at least to give people a raise soon.

**9:10 p.m.**

I guess we should be expecting the Workmen's Compensation Board increment pretty soon, should we not? Normally at this time of the year all of a sudden they come forward and dish out the bucks sort of on an ad hoc basis. I guess we should expect that. Maybe if we put pressure on, they will come through with some money as well for family benefits recipients, guaranteed annual income system for the disabled recipients and general welfare recipients, but it will be an afterthought. It is not in the original thought. It is not in the blueprint, so to speak, for Ontario that this is.

What are we to expect? Should we expect a rollback in Ontario health insurance plan premiums so the working poor in this province get benefit? I am talking about public assistance recipients at the moment, but the minimum wage in this province works out to about \$140 a week or \$7,280 a year.

Yesterday in estimates, I was saying in my view that since the minimum wage was below the poverty line and below almost every other province's minimum wage in the country, that was the responsibility of the Minister of Community and Social Services. He told me the working poor were not his responsibility; he was not to be concerned with the working poor, which I find to be just an incredible statement.

Are they going to get any redress from the extra taxation the government has put on them? This whole business of taxing denture cleaners is virtually obscene, in my view. It gives no extra money at all to senior citizens. Not one cent is mentioned in here as going to senior citizens. Then behind the scenes, the government taxes things seniors use, understanding that is going to take away from their present income because it is adding a tax that was not there before. I do not think that is clear.

They now will have to pay a tax on a magazine if they want to read a magazine. There is, of course, the puppy dog phenomenon. If they buy a pet as a companion, they will have to pay for that with a tax.

**Mr. Pollock:** It's a luxury.

**Mr. R. F. Johnston:** I suppose it is a luxury, a pet for a senior. Is that what was said by the member, that for an older person who is left alone, for instance, when the husband or wife



dies after a marriage of many years, buying a pet is a luxury? I think that is what he said.

**Mr. Riddell:** What about a dog for the blind? Is that a luxury? Have you ever thought of that?

**Mr. R. F. Johnston:** In my view, it is not a luxury.

Prepared foods will now be taxed. If a senior wants to leave the apartment and go for a walk downtown, and stops in at the small greasy spoon, the neighbourhood restaurant, that senior now will pay a tax on the sandwich and coffee or the sandwich and tea that he never paid before. That is an extra burden on those people. The government is not only not mentioning and not giving them money but also in an insidious fashion it is actually taking away from their income.

It really is not worthy of this party that has stayed in government for 40 years. The Premier rightly says the government has been quite astute in the way it has fostered the vote of the elderly around this province, but I do not think this is doing it any good with those people. The government cannot take them for granted. The government just cannot presume that they will stick with them through thick and thin.

I agree that psychologically the elderly have perhaps an even more highly developed sense of sacrifice than the average citizen and that they will see it as part of their duty as people who have lived through the Depression, etc., to tighten their belts a bit—

**Mr. Wildman:** To help the younger people.

**Mr. R. F. Johnston:** To help the younger people in the new age. I agree that is a good psychological thing the government has got going for it as it adds its taxation to them in this budget, as it does not add to the property tax grant to assist them, as it does not add to the sales tax grant to assist them. I agree that the government has that working for it but, my God, it is unjust. Why should somebody who is receiving \$5,000—I forget the figure I used now—\$6,188 for a senior citizen?

**Hon. Mr. Ashe:** \$6,000 plus, plus, plus.

**Mr. Wildman:** Who are you kidding?

**Hon. Mr. Ashe:** You don't even know what they get.

**The Acting Speaker:** Order.

**Mr. R. F. Johnston:** We can argue the pluses back and forth, okay?

**Hon. Mr. Ashe:** Plus \$500, plus \$50, plus \$60, plus another \$50 if they are married, plus free drugs, plus free OHIP coverage.

**Mr. Wildman:** That might bring them all the way up to \$8,000 maybe.

**Mr. R. F. Johnston:** I appreciate the intervention by the minister. I have refrained from taking the package of additional things that seniors and other groups get and showing that if one adds those in they do bring the groups closer to the poverty line. I regret not having done that; perhaps I was making this too stark a contrast. Let it be very clear, though, that a single senior with all the added benefits that have been listed is still getting approximately 10 to 20 per cent below any accepted poverty line. Most of them will get the \$500 anyhow, as the minister very well knows.

**Mr. Breaugh:** George defies them to get his money.

**Mr. R. F. Johnston:** That is true. He has certainly made it difficult for them to get it. It has been an ingenious—

**Hon. Mr. Ashe:** It makes them appreciate it more.

**Mr. R. F. Johnston:** Yes, I think it will work on that basis again. If one can just draw it out and extend the period of time they wait, they appreciate it so much more at the end of that waiting period.

**Mr. McClellan:** If they have had to make 15 phone calls, they are just overwhelmed with gratitude.

**Mr. R. F. Johnston:** That is right. They are really very pleased with the program.

**Mr. McClellan:** He can't even give money away.

**The Acting Speaker:** Order.

**Mr. R. F. Johnston:** I do not want to belabour the point—what am I saying? I do want to belabour the point! I want to say that in the next number of weeks we intend to continue to raise this in the House. We intend to continue to draw people's attention to the fact that the victims of this budget are the poor, that the beneficiaries are those who have. We intend to travel the province. We intend to try to push the government's bills out to standing committee and get people in to talk about them.

We intend to embarrass the government members with their own document until they finally move away from it, and if they do not move away from it they will stand rigid at their peril. People will remember this kind of budget, just as they remember MacEachen's. MacEa-

chen's budget has not gone away, as members well know.

**Hon. Mr. Ashe:** It hasn't done anything.

**Mr. R. F. Johnston:** Exactly. And it would be wise if the government were to take at least one leaf from his book and consider some adjustments to this thing.

**Mr. Van Horne:** If it was that bad, George, why did you copy it?

**Hon. Mr. Ashe:** We would never copy that stuff.

**The Acting Speaker:** Order.

**Mr. R. F. Johnston:** I note that the Minister of Revenue was asked why he copied it. I presume it was on the recommendation of the member for London North (Mr. Van Horne); as a good Liberal, he probably suggested it would be just the thing to do.

**Hon. Mr. Eaton:** He is not a Liberal.

**Mr. R. F. Johnston:** Is he not a Liberal too?

**The Acting Speaker:** Order.

**Mr. R. F. Johnston:** I was sure he was a Liberal.

**Some hon. members:** No.

**Mr. R. F. Johnston:** Is the member from London North a Liberal? I get confused about who the Liberals are these days.

**The Acting Speaker:** Order.

**An hon. member:** Maybe he's Labour-Liberal. Interjections.

**Mr. R. F. Johnston:** Remember Laurier? There was a Liberal we could all be fond of, right? If we go back far enough, we will find one we all feel good about.

Starting from the base of Laurier, and Mr. Laurier's budget, perhaps, if one wants this to be in some sort of context—

**The Acting Speaker:** I would not mind hearing more about this budget.

**Mr. R. F. Johnston:** All budgets are connected, and so is the derivation of the "Miller dollar." The "Miller dollar" cannot be separated totally from the Diefenbuck. I think it was the Diefenbuck, was it not? I just want to get that accurate.

**Hon. Mr. Eaton:** The Diefenbuck was good for Canada in the long run.

**Mr. R. F. Johnston:** In the long run the Diefenbuck was good for Canada, I am told by a Minister without Portfolio.

I get very confused by the Liberal position on this budget. I would have thought they would

have thought this was a tremendous companion piece to the national budget they have given us all. That is why we mentioned so often in the no-confidence motion put forward today by the member for Windsor-Riverside (Mr. Cooke) that it is the Liberal policy of high interest rates that is the wonderful companion piece to the blue book.

It was a wonderful approach, and I am surprised that we do not have more Liberals standing up and saying how important it is that we follow MacEachen's lead and that they are pleased with the way the provincial government has learned, for instance, that the home mortgage program the feds came through with is now such a good idea and has been attracted, I presume, by the persistent harangue of the Liberal Party here in Ontario—

**Mr. McClellan:** Liberal Party?

**Mr. R. F. Johnston:** Liberal Party, yes.

**Mr. Breagh:** Is that parliamentary? Can you use that kind of language in here?

**Mr. R. F. Johnston:** Should I ask for a clarification?

**Mr. Breagh:** I think so.

9:20 p.m.

**Mr. R. F. Johnston:** Mr. Speaker, if I use the word "Liberal" to speak about the people to my right and about Mr. Trudeau and Mr. MacEachen, will I be out of order?

**The Acting Speaker:** I suppose that depends whether you use a large "L" or a small "l."

**Mr. R. F. Johnston:** I think the Speaker's advice is good. The Speaker is telling me that the "L" on the Liberals we see in the House is diminishing; it is disappearing. Is that what you were suggesting, Mr. Speaker?

**The Acting Speaker:** Why do we not carry right along with the budget that is before us now?

**Mr. R. F. Johnston:** I am fascinated by the Liberal approach to the budget. The member for London Centre (Mr. Peterson), who is rumoured to be the leader of the Liberal Party here—

**Hon. Mr. Eaton:** Who? Where does he come from?

**Mr. R. F. Johnston:** God only knows. I hear he is not well tonight, which is a shame. He has not spoken passionately—I would not give him credit for that—but he has spoken about poverty here in the House. Yet I have not heard one recommendation from the Liberals here that



shows they have any solutions for the poverty of people in this province. They have not said whether they would raise the poverty level, as we have said, or raise incomes up to the poverty level, as we have said.

**Mr. Elston:** Do you have a solution? Your party rejected you and turfed you out. Your party does not want your solutions.

**Mr. R. F. Johnston:** We have many suggestions.

Interjections.

**Mr. Speaker:** Order.

**Mr. Mackenzie:** This must be bothering you guys tonight.

**Mr. Speaker:** You seem to have a magic effect.

**Mr. R. F. Johnston:** There seems to be a burr under the saddle, as it were. I do not understand how the member for London Centre can rise in his place, call on the government to give more money to people who are poor as I have been doing today, and then also say we have to lessen the deficit and we cannot increase taxes. It is just so much—

**An hon. member:** Liberalism.

**Mr. R. F. Johnston:** Liberalism—with a small “l” and a large “L.”

**Mr. Speaker:** Now I know where it is coming from.

**Mr. R. F. Johnston:** Now you understand the difficulties I have been causing. I have to thank you, Mr. Speaker.

**Mr. Ruston:** Your time is almost up.

**Mr. R. F. Johnston:** My time is almost up.

**Mr. Elston:** They don't want you in that party, Richard.

**Mr. R. F. Johnston:** I say to the member for Huron-Bruce (Mr. Elston) that as someone who is not accepted by my party, I am enjoying my position here in the front row and I am feeling more comfortable than he obviously anticipates I should. The wisdom of my party in rejecting me as leader will probably show itself in the fullness of time. At least that is what my mother says. She is a good Liberal, both federally and provincially, if the members can believe it. I admit this freely. I try my best. In fact, I got a letter from her the other day saying her Socialist tendencies were coming out.

In my speech tonight, I am talking about people who are living at rates of income that should be totally unacceptable to any member of this House. Any member who tries to think

about what it is like to have only \$278 in one's pocket to pay for rent, food, clothing and transportation will understand that this budget is totally inept, heartless and stupid. Is that unparliamentary? I hope not. I have learned some good words.

I hope that in the next number of weeks, as we debate this budget, the government will come to its senses and address the problems of poverty. I do not need to lay those out. They should be clear to every member in this House. I hope it will address these problems directly, correct the gap and add the three or four pages that address specifically the needs of the poor which should have been in here and which I presume have just been left out by some mistake at the printers. It will say to the people of Ontario that it understands it has a responsibility to see that no one suffers because of poverty in this province.

If the government does not do that, we will vote on our no-confidence motion and the members opposite will carry the day because of their numbers. But we will ram the fact of their priorities down their political throats for the next three years, and they will see the results of them during the next election. People will respond to a new government, an NDP government that will have the courage to protect those who need protection in times when it may not be easy to do so.

The members opposite will suffer for it. It is the poverty of their ideas and the poverty of courage over there, in a time of recession, that has caused them to come forward with this kind of budget. It will come back to haunt them if they do not change it soon. I will do my part, as will other members in my party, in constantly reminding them of how they have failed. I hope they will respond. If they do not, they will face the consequences.

**Mr. Cunningham:** Mr. Speaker, perhaps the most—

**Mr. Speaker:** Just a minute. The member for High Park-Swansea (Mr. Shymko) is next.

**Hon. Mr. Eaton:** You are going out of order.

**Mr. Cunningham:** I believe I had the floor.

**Mr. Speaker:** No. We go in rotation. The member for High Park-Swansea.

**Mr. Cunningham:** He wasn't here. He is never here. He is not even there right now.

**Mr. Speaker:** He is obviously there and he is standing.

**Mr. Riddell:** How long do you wait for a member to get in here?

**Mr. Speaker:** As long as I have waited for you.

**Mr. Riddell:** You haven't waited for me.

**Mr. Speaker:** Order. The member for High Park-Swansea.

**Mr. Shymko:** Mr. Speaker, I thank you and I thank the members opposite for their co-operation. I am honoured to be able to speak in response to the budget our Treasurer (Mr. F. S. Miller) presented to us last week. We all appreciate the tremendous research and thought that must have been put into the preparation of the budget.

Coming in the difficult times, as all honourable members know it does, the Treasurer's budget is a clear reminder that this government is capable of addressing our problems clearly and precisely in a responsible manner.

The problems that confront us, as the members opposite well know, are not confined to Ontario. As the Treasurer indicated on budget night, the entire industrial world has been trying to deal with the immense problems of energy shocks, slow growth and inflation for about the past nine years. Because Ontario engages extensively in international trade, the economic troubles of our trading partners have also had serious effects on our business dealings with them.

It is interesting to note that we are still better off than our neighbouring states and provinces. Last month, for example, Ontario's unemployment was 8.8 per cent, but the Canadian average was much higher. So was that of the United States; in Michigan, for example, it was more than 16 per cent despite Reagan's policies.

In the United States, the administration is engaged, as we all know, in a ruthless campaign to stamp out high inflation. The weapon that is being used is a high interest rate policy. That policy is having serious effects far beyond America's borders—effects not only on this country nationally but also on this province. Canada, Europe and the rest of the international community have had to react to this in a responsible, effective and, unfortunately, difficult manner. The unfortunate high interest rate policy of our own national government has created problems for many businesses and many governments, including our own, throughout this country.

9:30 p.m.

Interest rates in Canada are more than three times—three times, I recall and repeat—the average of what they have been over the last 15 years. But before any substantial international economic recovery can occur, interest rates in the United States must drop. However, US politicians are currently wrestling with the issue of a massive budgetary deficit and will have to solve that problem first.

Until this situation is resolved, our economy will not be able to perform at its full potential no matter what expectations or hopes we may have. It is, therefore, important for us to make sure that when the expected upturn does occur, our capacity for growth in Ontario will not have been seriously damaged. This is where our budget plays an important role through its measures to:

1. Create jobs. This is priority number one by comparison to Mr. MacEachen.
2. Assist new home buyers.
3. Stimulate long-term economic development through the Board of Industrial Leadership and Development Program.
4. Provide a major incentive for small business.
5. Show leadership. I point out we show leadership, which unfortunately is lacking from Ottawa, through private sector restraint.

**Mr. Speaker:** Order.

**Mr. Riddell:** I am wondering, Mr. Speaker, if you can see a quorum.

Mr. Speaker ordered the bells to be rung.

9:36 p.m.

**Mr. Speaker:** There is a quorum present.

**Hon. Mr. Ashe:** Mr. Speaker, on a point of order: I think it is appropriate the record should show that the party which called the quorum has two members present and there are two members of the third party as well.

**Mr. Ruston:** Mr. Speaker, there are four members in the seats of the Liberal Party; I do not think the minister should get up and mislead the House.

**Mr. McClellan:** Mr. Speaker, I simply point out to you that the government party with its 70 members can maintain a quorum in this House. That is its responsibility.

**Mr. Shymko:** Let the record show there is one Liberal member and one NDP member sitting there and there are 17 on this side; what sanctimonious claptrap.

This government has shown, as I have said, that it can respond to the needs of the people of



Ontario, whether they be young people, farmers, businessmen or just people interested in buying a home.

**Mr. Wildman:** There wasn't a thing in the budget.

**Mr. Riddell:** What does he know about farming?

**Mr. Shymko:** The truth hurts. I am being heckled. It hurts.

**Mr. Riddell:** You probably plant eggs and expect them to hatch.

**Mr. R. F. Johnston:** How's the harvest in the Ukraine?

**Mr. Shymko:** As I said earlier, if the honourable members opposite allow me to continue, preparing a budget for these difficult economic times is an immense challenge, but a challenge which the Treasurer has met, in my opinion and in the opinion of those on this side of the House. We must also realize that work on the budget was made more difficult by another factor. That factor is the following. This is what I have to say in the other official language so that the member for Prescott-Russell (Mr. Boudria) can understand.

Notre gouvernement doit aussi faire face à de sérieuses coupures budgétaires dues à la décision unilatérale du gouvernement fédéral de réduire les paiements de transfert. Pendant l'année 1982-83, ces réductions coûteront à l'Ontario près de \$287 millions et au cours des cinq prochaines années il en coûtera presque \$1.9 milliard. Cette réduction de \$5.3 milliards en paiements de transfert aux provinces affectera probablement d'autres provinces plus que l'Ontario et parmi ces provinces, le Manitoba puisque nous avons joui au cours de la décennie écoulée d'une excellente administration financière, laquelle a permis à la province de l'Ontario d'être plus en mesure de faire face à la situation actuelle. Nous voyons ce budget.

Néanmoins, je voudrais rappeler les honorables députés de l'autre côté de ce chambre que, même pour l'Ontario, ces coupures se produisent à un moment où le gouvernement fédéral semblait indiquer qu'il n'y aurait pas de telles réductions de paiements de transfert.

Dans le domaine du financement des programmes établis, l'Ontario, par exemple, recevra \$70 millions de moins qu'elle recevait l'an dernier. Les contributions pour la formation professionnelle des adultes ne seront pas du tout augmentées et il en sera de même pour les contributions fédérales pour l'expansion du bilinguisme. Le programme de subventions aux

services communautaires sera réduit à \$2 millions au lieu de la somme de \$58 millions allouée l'an dernier.

Interjections.

**Mr. Shymko:** This is the respect we have from members opposite when somebody tries to speak in the other official language. They do not want to hear French in this Legislative Assembly.

**Mr. Speaker:** Order. Would you please just get on with the speech and not debate.

**Mr. Shymko:** I am trying, Mr. Speaker. J'essaierai de continuer.

Après plusieurs années de mauvaise administration budgétaire, le gouvernement fédéral a décidé qu'il voulait réduire son propre déficit et a alors pris des mesures pour faire en sorte que les provinces paient pour leur mauvaise administration à Ottawa.

En dépit des coupures en paiements de transfert, les dépenses fédérales ont augmenté de 16 pour cent comparé à l'augmentation de 11.6 pour cent annoncée par le trésorier dans son budget en Ontario. Il est évident que le gouvernement fédéral a ignoré totalement les recommandations de l'Ontario que notre Premier ministre a présentées à la conférence des premiers ministres de l'économie parmi chaque premier ministre de chaque province du Canada.

Je voudrais ajouter que dans le plan de relève économique de l'Ontario, le Premier ministre proposait que le gouvernement fédéral et les gouvernements provinciaux devraient réitérer leurs engagements à adopter une politique de restriction de dépenses afin de combattre l'inflation. Cependant, on ne peut pas dire qu'une augmentation des dépenses de 16 pour cent reflète une politique de restriction de la part du fédéral.

To those honourable members who may not have understood what I said, I would like to point out that the federal government has cut the established programs financing from \$2,044,000 to \$1,979,000. It has cut—and this is where members from the New Democratic Party should take note—community services contribution programs from \$58 million to \$2 million. Adult occupational training is frozen; bilingualism development is frozen; Indian welfare services are frozen; other federal payments are frozen. That is the federal record; let it be shown. It is in the manual. We have recently seen—



**Mr. Brandt:** They did not read that part. Did the member read that part?

**Mr. Speaker:** Order.

**Mr. Shymko:** We have recently seen the representatives of the federal government claim that co-operative federalism in Canada is dead, that the provinces have been too greedy, and that Ottawa simply cannot afford to pay any more.

The words of the Prime Minister of Canada on this matter have been printed in the Treasurer's budget for all to see, particularly those on the other side of the House who have chosen to ignore these very serious remarks and continue to ignore them. It is easy to shout about federal bashing at this point, and I am not trying to bash the federal government. I am just pointing out the truth. There is no fed-bashing at all, especially when one is either an appointed or a self-appointed hatchetman, hatchetperson or apologist for the federal Liberal Party, examples of which we have seen on countless occasions in this chamber. But that does not make our criticism any less valid, as the members know.

**Mr. Gordon:** Absolutely.

**Mr. Shymko:** Absolutely not. That criticism is simply that the comments made by Prime Minister Trudeau and his colleagues are simply not valid.

The truth of the matter is that the provinces, Ontario included, have been anything but greedy and unreasonable in their dealings with Ottawa concerning transfer payments. They have been anything but greedy. It is the Liberal administration in Ottawa that has acted unilaterally and with blatant disregard for the long-standing Canadian traditions of co-operation and consultation.

**Mr. Riddell:** Go back into French. You did much better then.

**Mr. Villeneuve:** You couldn't understand it.

**Mr. Riddell:** I liked it better.

**Mr. Speaker:** Order.

**Mr. Shymko:** They can't take it. In recent years the provinces have not demanded more and more funds. Rather, they have tried to convince the federal government to honour the agreements that had already been entered into for almost 10 years. The federal government's argument that it was bearing an unfair share of program costs is simply wrong. The amount of federal transfers to the provinces has not risen to the point where Ottawa is no longer able to fulfil its responsibilities.

Even the Liberal-dominated task force on federal-provincial fiscal arrangements in its report to the House of Commons last August concluded, "There does not exist a long-term, structural mismatch between the revenue capacities and expenditure responsibilities of the federal government." It continues: "It cannot be claimed that the capacity of the federal government to raise revenues has reached a structural—as opposed to a political or discretionary—ceiling." That comes from a federal-provincial task force report.

It is only necessary to compare the increases in federal budget spending and the increases in federal transfer payments to see that the point Ottawa is trying to make is inaccurate. For example, when we examine the last decade, the evidence shows that other federal spending has been growing faster than transfer payments. The members opposite know that quite well.

For example, between the 1972-73 fiscal year and 1976-77 fiscal year, federal budgeting spending went up by 162.3 per cent. By comparison, the value of federal transfer payments to the provinces only grew by 116.5 per cent. Transfers were restructured in 1977, as we all know, and since then federal spending has grown by 55.4 per cent until last year, but transfers grew by only 51.3 per cent.

**Mr. Haggerty:** Would the member repeat that? I did not quite get it.

**Mr. Shymko:** There may be some audio problems with some honourable members. I really cannot provide any medical assistance for their hearing problems but I will continue.

9:50 p.m.

Given such facts, it makes little sense for the federal government to reduce spending by cutting the agreed growth of transfer payments at a time when it has clearly been shown that the real problem lies with massive spending increases in other areas.

**Mr. Mackenzie:** Like Suncor; or like \$700 million for the doctors.

Interjections.

**Mr. Speaker:** Order.

**Mr. Shymko:** If that member had had his way, over \$1 billion would have been put into Suncor. At least we are reasonable. We are taking a quarter of it. Talk about spending. They would take over Inco. They would nationalize every industry in this province.

**Mr. Mackenzie:** If we did, we would have



some control over them. That's more than you will ever have.

**Mr. Speaker:** Order. I have a very strong feeling that is not part of your speech.

**Mr. Shymko:** Nor are the interjections part of my speech.

I could provide additional proof of what I said but I will instead refer those members opposite who are still sceptical to the reports of the Auditor General of Canada for the last few years. I will not go on to the additional examples.

Established programs financing has been with us since 1977, but the entire issue of transfer payments goes back much further, to the war years. In 1941, in recognition of the need for a strong central government to provide wartime leadership—and we are talking leadership—the provinces agreed to refrain from collecting personal and corporate income taxes until one year after the end of hostilities. In return, the federal government would pay a “rent” to the provinces to compensate for the loss of these revenue sources.

We volunteered to make that sacrifice. All provinces entered into these tax rental agreements. After the war ended, all provinces except Quebec and Ontario renewed their agreements. In 1947, voluntarily, Ontario renewed these agreements. All the provinces except Quebec joined again in the agreement in 1952 and 1957. Quebec had set up its own personal income tax system, as members know, in 1954.

This is history. The members opposite should learn some history and read some history before they make insinuations and allegations of irresponsibility against this side of the House. Study some history first.

Throughout this period of the late 1940s and early 1950s the federal government continued to enjoy the benefits of extensive—and I mean extensive—tax resources; the provinces, on the other hand, had problems in delivering high-cost social programs in fields defined by the constitution as provincial responsibilities. Provinces were finding it difficult to raise the funds required to meet ever-growing needs in health and, especially, post-secondary education.

Because it had the resources, Ottawa decided to apply these in a manner which would give the national government a say in establishing minimum national standards in service in those two areas. Just as easily, Ottawa could have transferred tax resources to the provinces, but it chose not to do so.

In 1959, a hospital insurance program was

introduced in which Ottawa paid one half of approved hospital expenditures. The list of what was approved was limited but the provinces were unable to resist the prospect of hospitals at half price.

So, in the 1960s we saw the introduction of a medicare program where provinces were given one half of the national average per capita costs for approved programs. Already at this point in history it was realized that such a system did have built-in problems. The prospect of 50-cent dollars had caused other programs in the provinces to be bypassed even though they may have had a higher provincial priority than the program half funded by Ottawa.

So we go on. What do we see happening in 1967? In 1967 the federal government introduced a shared-cost program for post-secondary education. The federal share was either 50 per cent or \$15 per capita. In all these cases—

**Mr. Haggerty:** The province wasn't doing its share. Ottawa had to get help from someplace.

**Mr. Shymko:** No one is fighting for credit here.

Interjection.

**Mr. Speaker:** Order.

**Mr. Shymko:** No one is trying to get credit. We are establishing historical facts, I would like to point out to the honourable member, because what is happening today is misguided history.

In all these cases I stress that Ottawa had agreed to cover a specific share of the cost while certain conditions were met. However, by the early 1970s Ottawa began to realize that it had talked the provinces into programs with soaring costs, and ceilings were therefore placed on increases in federal contributions wherever possible. For example, post-secondary education funding was limited to 15 per cent increases in 1972—they started cutting in 1972—and medicare to 14.5 per cent in 1976-77, 12 per cent in 1977-78 and 10 per cent per year each year after that.

**Mr. Haggerty:** How much did you cut from the hospital grants in 1972?

**Mr. Speaker:** Order.

**Mr. Shymko:** These unilateral cuts, these unilateral actions were in violation, in my opinion and in the opinion of the members of this House, of the original agreement and placed the provinces in the very financial difficulties they had sought to escape when they entered into the agreements in the first place. It is passing the buck. The Liberals do the cutting in



Ottawa and then pass the buck and point out to the provincial government that they seem to be misers in delivering social services. A clever political trick; it is an old trick and we all know it.

**Mr. Epp:** On a point of clarification, Mr. Speaker: When the member speaks of passing the buck is he talking about the province passing the buck to the municipalities? Is that what he means?

**Mr. Speaker:** That is hardly a point of order.

**Mr. Epp:** I thought so. Thank you very much.

**Mr. Shymko:** The member knows what I am talking about.

Interjections.

**Mr. Speaker:** Order.

**Mr. Shymko:** I hope you are not cutting into my time when I am being interrupted like this, Mr. Speaker.

Established program financing arrangements were negotiated in 1976 for 1977 to 1982. They were negotiated for these periods with further arrangements to be made for 1982 to 1987. The three established programs—hospital insurance, medicare and post-secondary education—would no longer be tied to the earlier cost-sharing formula but would be tied to the growth rate of the gross national product. For Ottawa, the program would provide greater predictability and equality while the provinces would have more freedom, supposedly, to determine their own priorities.

According to the Prime Minister, continued federal participation in these three essential programs in the social development area would be based on five principles that he outlined during the June 1976 conference of first ministers. I would like to remind the honourable members opposite of those five principles:

**10 p.m.**

1. The federal government should continue to pay a substantial share of program costs.

2. Federal payments should be calculated independently of provincial program expenditures.

3. There should be greater equality in per capita terms among provinces with regard to the amount of federal funds they receive under the programs.

4. The arrangements for these major programs should be placed on a more permanent footing.

5. There should be provisions for continuing—and I stress, continuing—federal participa-

tion with the provinces in the consideration and development of policies of national significance in the fields of health and post-secondary education, areas of national significance to be continued.

The exact definition of the federal government's "substantial share" could not be nailed down, but it was understood that the provinces would carry the greater financial burden. This certainly does not sound like, nor has it ever been since the agreement was reached, a means for the provinces to make "exorbitant" claims on the federal treasury; absolutely not.

The only other advantage the provinces felt they would receive was that the established programs financing agreement would provide a long-term certainty of federal funding. It is true that Ottawa had also led the provinces to believe that the earlier cost-sharing provisions would be long-lasting, but in relation to the EPF agreement even the Prime Minister had spoken of the "relative permanence and stability of the arrangements." One looks at those cuts in EPF and it is called "stability of the arrangements."

It is no wonder the EPF agreement was hailed as a great step forward in federal-provincial co-operation. That is history, as we know. Unfortunately, this model example of federal-provincial co-operation hardly lasted two years before Ottawa again tried to cut back its transfers by establishing a two percentage point reduction in the EPF escalator. Provincial opposition proved to be too strong and at the time Ottawa turned to cuts elsewhere. It decided to do the cuts somewhere else as a result of pressure.

As a result, the introduction of the new community services contribution program was postponed—I quoted a figure as to what happened to that program and the members have heard it—resulting in funding problems for both provinces and municipalities, I would remind the honourable members, which had counted on the introduction of the program. The CSC program was to replace three existing federal support programs for water and sewage programs and also for neighbourhood improvement programs. The members will remember that.

The program was introduced in 1979, but then in the fall of 1980 the Liberal administration in its now customary abrupt and unilateral way cancelled that program to municipalities entirely. It is unnecessary to point out that, when this program was introduced, it was also promised to be a long-term program. Two



years; they call that a long-term program; that is a federal Liberal definition of long-term programs.

At about the same time, the Liberal administration began what I would call its propaganda war. It tried to convince the public that the provinces wanted more and more of the federal treasury, while at the same time the provinces were underfunding health and post-secondary education. As if that was not enough, Ottawa then went out and claimed that, everything considered—

**The Acting Speaker (Mr. Cousens):** Is that a point of order, member for Windsor-Riverside?

**Mr. Shymko:** It hurts the honourable members.

**Mr. Cooke:** A point of privilege, Mr. Speaker. I am just wondering, in terms of my own concerns about debating at great length the budget of this Treasurer and the atrocious document it is, whether perhaps you could advise me if we are in the federal House or the provincial House. I know the member opposite was only there for nine months and perhaps he wishes he was there longer. I wonder if we could get back to this provincial budget. I know he wishes he could debate—

**The Acting Speaker:** I will accept that as a point of order.

**Mr. Cooke:** As a point of order, perhaps you could call him to order and have him debate this budget. Is it so bad that he has nothing he can say?

**Mr. Robinson:** Mr. Speaker, on the same point of order: I would remind all honourable members that less than an hour ago the members opposite drew to my attention the fact that any budget anywhere was relevant to this debate. If the member for High Park-Swansea wants to bring some other budget of some other time and place relevant to the debate, he should equally be allowed to do so.

**The Acting Speaker:** The chair has the pleasure of ruling that the motion before the House is an amendment to the budget and discussion and debate should be aimed in that direction.

**Mr. Shymko:** What I am saying is directly related to the budget. I am referring to budget paper B.

**Mr. Riddell:** Right, the provincial budget.

**Mr. Shymko:** Why does the member not take a copy and look at budget paper B? I am referring directly to paper B in the budget before him. If he takes a look, he will see there

has been a significant decline in the growth rate of federal transfers to the provinces, which has a major impact on the problems this budget is trying to rectify and answer. The member knows that.

**Mr. Boudria:** Talk about the retail sales tax. Talk about the tax on children.

**Mr. Wrye:** Talk about Suncor.

**The Acting Speaker:** Order.

**Mr. Shymko:** I am directly referring to budget paper B. The figures which we see are those provided by the federal government itself. They show that cash and tax transfers rose about 11 per cent annually in the last five years. In the 1972-76 period, they had risen 16.8 per cent per year. In the five years prior to that, they had risen 21.7 per cent per year. That is more than proof that the Liberal administration cannot tell us they are not letting us down.

Of course, the Liberal administration's claims would have had more validity if they had honoured their election promises. It just goes to show that we cannot trust the Liberals. Sometimes we cannot even trust them to find their way into this chamber.

**Mr. Van Horne:** Mr. Speaker, on a point of order: I think in light of what the member just said, we do deserve some clarification when he was referring to budget paper B. I am not sure if he said A, but certainly he did mention B. I am wondering while he is doing that, if he is mindful of budget paper A which points out that at the same time the Bank of Canada was pushing interest rates to record levels as an offset to a huge outflow of capital from Canada which was weakening the value of the Canadian dollar, items such as Suncor in the province of Ontario.

**The Acting Speaker:** This can be clarified in your own presentation at the opportune moment.

**Mr. Van Horne:** He was not referring to that?

**The Acting Speaker:** The member for High Park-Swansea has the floor.

**Mr. Shymko:** Mr. Speaker, are we carrying on a debate? Is this a dialogue?

**The Acting Speaker:** No, that is why you have the floor. You may proceed.

**Mr. Shymko:** Thank you, Mr. Speaker.

In all seriousness, Ottawa's claims would sound much more reasonable if the government had kept its 1974 promises to pay one quarter of the capital costs incurred by Ontario or its municipalities for buses, streetcars or subway cars, for example, or one half the cost of commuter rail facilities, or the entire cost of



rolling stock for commuter rail services, etc. We have yet to see any significant action on the part of the federal government to live up to those promises. That is probably a dream that will never be realized.

In recent years, the federal government has tried very hard in a propaganda war to convince anyone who cares to listen that the provinces have allowed national standards to deteriorate and that only the federal government can ensure the maintenance of so-called standards.

**10:10**

Again, there are no facts whatsoever to back up the federal claims. Proof that the arrangement was working prior to Mr. MacEachen's last budget can be seen in the proposals for renewal made by the federal task force. The report stated, "We are agreed that the programs examined in the course of our work are serving vital social needs and merit undiminished support."

Another point the federal government wants to make—and in this it has a valid argument, I must admit—is that there is often too little visibility of federal funding; credit, as I mentioned—I see the honourable member nodding his head—has too little visibility.

I suppose it is all very well to complain they are not getting enough visibility, but the solution is a relatively simple one. If they want to put up signs or notices saying that the federal government is paying certain portions of this or that program, let them do so. I do not think Ontario has ever raised any objections on that point. To press the issue would be just to ignore the real problems resulting from the unilateral actions of the Liberal administration. The Liberal administration's actions certainly have been unilateral, as we all know.

In the October 1980 federal budget, the Minister of Finance announced that Ottawa would be looking for "significant savings" in transfer payments to the the provinces. Having thus made its intentions well known, the Liberal administration then proceeded to do nothing in the way of providing concrete proposals for the provinces to look at.

**Mr. Wrye:** On a point of order, Mr. Speaker: I hate to interrupt this great dissertation, but I no longer see a quorum.

The Acting Speaker ordered the bells to be rung.

**10:16 p.m.**

**The Acting Speaker:** A quorum is present.

The member for High Park-Swansea may continue.

**Mr. Shymko:** Mr. Speaker, I spoke of the Liberal administration's unilateral actions. I would like to point out that having thus made its intentions known, the Liberal administration—this is following the 1980 federal budget—then proceeded to do nothing in the way of providing concrete proposals for the provinces to look at. All that happened was that the parliamentary task force was established and that Mr. MacEachen put a \$1.5-billion tag on the size of the cuts he was looking for.

The Economic Council of Canada also undertook to examine fiscal arrangements. Its report, like that of the parliamentary task force, was ignored when it came to established programs financing cuts. The federal parliamentary task force, with a Liberal majority, concluded—and let the honourable members listen carefully—a Liberal majority parliamentary task force concluded as follows:

"We are all agreed, therefore, that federal-provincial negotiations should be directed towards the goal of undiminished funding for both the health and post-secondary sectors, supported through EPF and the social security programs financed in part by the Canada assistance plan. Thus, we recommend no lessening or withdrawal of federal interest in the results of these programs administered by the provincial governments."

That was the unanimous conclusion of a task force run by the Liberal majority, but consisting of Liberals, Conservatives and New Democrats, all three parties. Therefore, how can we on this side of the House be accused of fed-bashing when a federal task force unanimously came out against the very measures which the Liberal administration had introduced? And the members on that side call us federal bashers.

While the task force embraced—I will use some gentle and mellow words—the concept of co-operative federalism, if there is still any left, the Liberal administration has rejected it in favour of an aggressive and hostile approach in its dealings with the provinces and with 8.5 million people in this province.

As we can see so clearly today, relations between Ottawa and the provinces have become strained—I would say they have deteriorated recently—over discussions on the Constitution, over energy and above all over federal transfers that are affecting the future of this province.

**10:20 p.m.**



After 10 years of mismanagement, after 10 years of federal Liberal mismanagement, 10 years of Trudeau mismanagement, of bankrupt economic policies, we can understand the federal government's need—

Interjections.

**The Acting Speaker:** Order.

**Mr. Ruston:** That is right, 10 years right here. Ten years under William Davis. You have got it.

**The Acting Speaker:** The member for Essex North will resume his seat.

Interjections.

**The Acting Speaker:** Order, order. I am very pleased that the honourable member has resumed his seat. The member for High Park-Swansea has the floor, and I would ask all members to listen to this member, because each will have his turn.

**Mr. Shymko:** The truth hurts. Mr. Speaker, watching that 10-year record in Ottawa, we can understand the federal government's need to watch its spending, finally to realize that it has to make some cuts. After 10 years of a learning experience that had created tragedies and misfortunes for thousands of Canadians, we can certainly see that there are issues on which the national government must take a strong stand, and we compliment them for finally learning after 10 years of mismanagement.

But to embark on a deliberate policy of confrontation and unilateral action is, in my opinion and in the opinion of the members on this side of the House, harmful not only to all parties involved, including the parties opposite, but also to the wellbeing of the entire federal system and the entire nation.

The Treasurer's budget paper presents four steps that should be taken to improve federal-provincial relations. It took me almost half an hour to talk about history. Listen to these four steps.

1. The federal government should affirm its commitment to the negotiation process in federal-provincial relations, which has been the very fabric of our system and of this nation.

2. The federal-provincial discussions on program standards and conditions would have a better chance of succeeding if the federal government would join the provinces in communicating concerns in a way which does not erode public confidence in their programs. Public confidence; there is no confidence any more in governments following the trend of 10 years of bankruptcy.

Interjections.

**Mr. Shymko:** The truth hurts. They cannot take it any more. They cannot look the truth in the face. We will probably end up in a few minutes with one Liberal member sitting and one NDP member sitting.

They cannot take it any more. We cannot take the federal policies of bankruptcy any more. We cannot take it, and we have to save this province, its 8.5 million people, because we cannot take it any more.

3. The federal government should rescind the out-of-date 1975-76 ratios used in allocating EPF contributions; just rescind them totally.

4. The time has come to reassess what constitutes a federal transfer under EPF so the confusing arguments which we have heard can be totally avoided.

Those are the four points. We are accused of being subjective, of not being objective in assessing this budget. I will be objective. I will not quote a Conservative member. I will not quote members on this side. I will not quote any minister. I will quote from the economic wire of May 14, 1982, regarding this very budget. This is what it says, "The Ontario budget presented last night was a balanced and temperate effort under difficult economic circumstances." It continues, "The budget addressed appropriate attention to fiscal stimulus while at the same time recognizing the need to maintain Ontario's fiscal integrity."

It continues: "The Ontario budget introduced last night offered a reasonable plan to assist the recovery of the provincial economy. The budget for fiscal 1982-83 is a pragmatic approach to rebuilding confidence and stimulating business activity under current adverse economic conditions." It says, "The Canadian economy remains firmly entrenched in recession and in the vise"—and I mean vise not vice, as sometimes we do see it as a lack of virtue on the part of the federal government—"of extreme high interest rates"—recession and high interest rates, we are caught in the middle—"and, Treasurer Miller has introduced an expansionary but tightly focused budget package which addresses the needs of the cyclically depressed Ontario economy."

If that is not enough, Mr. Speaker—

**The Acting Speaker:** If the honourable member would adjourn the debate, there are some announcements from the government House leader. This could be an opportune moment.

**Mr. Shymko:** Mr. Speaker, I move the adjournment of the debate.

**Mr. Ruston:** On a point of order, Mr. Speaker: Since we are in the House as a whole, the time has not elapsed yet. To make use of the time I would hope you would allow the member to go to 10:30 p.m. so we can then have more time later.

**The Acting Speaker:** The government House leader has a number of announcements.

**Mr. Ruston:** Mr. Speaker, are you denying the member to right to speak until 10:30 p.m.?

**The Acting Speaker:** No.

**Mr. Ruston:** I do not think, Mr. Speaker, you have that authority.

**The Acting Speaker:** There were some announcements to be made. How is your time? How long would—

**Mr. Shymko:** I have not much to go.

**The Acting Speaker:** All right, fine.

**Mr. Shymko:** Mr. Speaker, we have now reached a point in this country where we must rebuild the process of co-operative federalism. The ever-increasing retrenchment in transfers that the federal government has displayed must be halted and the suggestions in the Treasurer's budget papers provide a starting point from which to build. It is up to our counterparts in Ottawa and the other provinces to make sure that we succeed.

**Mr. G. I. Miller:** Mr. Speaker, it being almost 10:30, after listening to the comments—

**The Acting Speaker:** Just a motion, please.

**Mr. G. I. Miller:** I just want to make a couple of remarks. I would call the member's speech

fed-bashing with not too much constructive criticism or many ideas for promoting Ontario.

On motion by Mr. G. I. Miller, the debate was adjourned.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, I would like to indicate the business of the House for the remainder of this week and next week.

Tomorrow, we will continue the budget debate.

On Monday, which is the Victoria Day holiday, the House will not sit.

On Tuesday, May 25, in the afternoon and evening we will proceed with second reading of Bill 60 and, if needed, committee of the whole House on Bill 60.

On Wednesday, May 26, the usual three committees may meet in the morning.

On Thursday, May 27, in the afternoon we will have private members' ballot items in the names of the member for Durham-York (Mr. K. R. Stevenson) and the member for Kitchener (Mr. Breithaupt). In the evening we will continue with Bill 60, if any debate is still required. If not, we will continue with the budget debate.

On Friday, May 28, we will begin in the House in committee of supply the estimates of the Ministry of Northern Affairs.

I might also remind the House that we will be sitting Monday night, May 31, to deal with legislation.

The House adjourned at 10:32 p.m.



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